

Briefing Document

Description: Resolution to continue participation in the UAMPS CFPP Project - Phase 1B of the Licensing period, through the Class 2 Cost estimate (January 2024) and the preparation of the combined Construction & Operating Licensing Application (COLA) to the Nuclear Regulatory Commission (NRC) which is the next phase or portion of the project.

Presenter: Rick Hansen

Submitted By: Rick Hansen

Recommendation:

Approve the provided resolution to continue participation in the CFPP at the levels indicated in Schedule I of the resolution (17.99 MW).

Background Information:

The City has been participating in the UAMPS CFPP project for the past several years. We are currently at an “off ramp” to decide whether to continue to the next phase of the project as provided in the power sales contract (PSC). The next phase is the completion of the preparation of the Combined Construction and Operating License application (COLA). This phase will continue through January 2024.

Fiscal Impact:

Costs for this phase are included in the project's projected \$89/MWh (2022\$'s) price target and will not be collected until the plant is in commercial operation. This project will provide a long term stable Carbon Free dispatchable resource to the City. If the City withdraws for convenience the City would be responsible for the costs for the phases that the City participates in. If the \$89/MWh price target is not met and UAMPS withdraws from the project the City will be reimbursed 100% of eligible expenses through the Class 2 Cost Estimate & COLA submittal to the NRC phase of the project. Furthermore, if the project subscription doesn't reach the 80% level (370 MW of total subscription, or 254 MW new) by the end of this period the City will be reimbursed at 100% similar to if the price target isn't met for a UAMPS withdrawal.

Impacted Fund: Electric



CFPP COMMUNICATIONS PLAN

DECEMBER 2022

Goals and Objectives

The purpose of this CFPP Communications Plan (the “Plan”) is to support the development of the CFPP, CFPP member participants (the “Members”) and the CFPP Partners, NuScale Power, Fluor Corporation, the U.S. Department of Energy, Idaho National Laboratory, and Xcel Energy (the “Partners”). UAMPS, its Members, and Partners recognize the need to work closely with each other to coordinate the accurate and timely dissemination of information related to the status of the CFPP and any “next step” activities.

Specific Objective

The specific objectives of the Plan are to provide awareness of the CFPP, provide accurate and uniform message points, and distribute information through a variety of media platforms and in-person briefings to meet the needs of the various audiences.

Audiences

- Member and their governing boards and customers
- State legislators and congressional delegations
- Shoshone-Bannock Tribes
- Regulators
- News media
- Environmental and special interest groups

Communications Guidelines

- UAMPS will collaborate with the Partners to develop, coordinate and distribute talking points to the Members at key development stages of the Project.
- UAMPS will support Members’ in briefing governing boards on the project.
 - Work in collaboration with Members’ representatives as they direct.
 - Make presentations at governing board meetings on the status of the project, as requested.
 - Arrange for the Partners and other experts to make presentations at governing board meetings, as requested.
- The Partners will monitor all media coverage and keep each other informed on media inquiries and coverage related to the CFPP. NuScale will be the lead for the Partners to assemble and disseminate all media activity. UAMPS will disseminate, as quickly as possible, any media activity to the Members to keep them well informed.

- UAMPS and the Partners will use email messaging, social media, and issue new releases to disseminate information to governing boards, media and public.
- The Members will keep UAMPS informed of any governing board actions, media inquiries and/or local newspaper articles.
- The Members may refer any media inquiries to LaVarr Webb at lwebb@exoro.com or Jackie Coombs at jackie@uamps.com.

Other Resources

UAMPS and the Partners will coordinate communications support with its nuclear industry partners, Nuclear Energy Institute, Clear Path and Third Way.

EXHIBIT C

FORM OF CONTINUATION RESOLUTION

RESOLUTION NO. _____

A RESOLUTION APPROVING THE CONTINUATION OF THE PARTICIPANT'S ENTITLEMENT SHARE UNDER THE CARBON FREE POWER PROJECT POWER SALES CONTRACT FOR PHASE 1B OF THE LICENSING PERIOD FOR THE CARBON FREE POWER PROJECT; AND RELATED MATTERS.

***** ***** *****

WHEREAS, the entity named below (the "*Participant*") is a member of Utah Associated Municipal Power Systems ("*UAMPS*") pursuant to the provisions of the Utah Associated Municipal Power Systems Amended and Restated Agreement for Joint and Cooperative Action, as amended (the "*Joint Action Agreement*");

WHEREAS, the Participant has previously approved, executed and delivered the Carbon Free Power Sales Contract dated as of April 1, 2018 (the "*Power Sales Contract*") with UAMPS, with a current Entitlement Share and a current Development Cost Share shown on Schedule I attached hereto (initially capitalized terms used and not defined herein have the meanings assigned to them in the Power Sales Contract);

WHEREAS, at the direction of the Project Management Committee, UAMPS has delivered a notice dated January 4, 2023 (the "*UAMPS Notice*") to the Participant of (a) the delivery of the Class 3 Project Cost Estimate for the Project and the results of the related run of the economic competitiveness test, (b) the proposed adoption of an amendment to the Budget and Plan of Finance for the Project (the "*Amended BPF*"), and (c) the Participant's right to deliver a Notice of Withdrawal or a Notice of Reduction or to continue with its current Entitlement Share in the Project during the term of the Amended BPF, with any such withdrawal, reduction or continuation to be effective immediately before the Amended BPF takes effect;

WHEREAS, the Amended BPF is expected to be in effect from approximately March 1, 2023 until approximately January 31, 2024 (such period is referred to herein as "*Phase 1B of the Licensing Period*") and pursuant to the Power Sales Contract, the Participant will have the additional right to deliver a Notice of Withdrawal or a Notice of Reduction or to continue with its current Entitlement Share in the Project at the end of Phase 1B of the Licensing Period; and

WHEREAS, the Governing Body has determined that the Participant should continue with its current Entitlement Share during Phase 1B of the Licensing Period;

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the Participant, as follows:

Section 1. Continuation of Entitlement Share for Phase 1B of the Licensing Period. (a) The Participant hereby authorizes and approves maintaining and continuing its current Entitlement Share in the Project as shown on Schedule I attached hereto. The Participant acknowledges and agrees that Schedule I shows its correct Entitlement Share and its correct Development Cost Share as of the date hereof.

(b) The Participant acknowledges that its Development Cost Share for Phase 1B of the Licensing Period (as shown on the attached Schedule I) would, by operation of the provisions of the Power Sales Contract, increase if other Participants determine to withdraw from the Project or reduce their Entitlement Shares as provided in the UAMPS Notice. Upon receipt of notice from UAMPS of any such withdrawals or reductions, the Participant's Representative is hereby authorized by and on behalf of the Participant, and is hereby delegated full authority, to give notice to UAMPS of the Participant's election to (i) reduce its current Entitlement Share in such amount as shall be necessary to maintain its current Development Cost Share or (ii) maintain its current Entitlement Share, which will result in an increase in its current Development Cost Share, *provided that* the Participant's current Development Cost Share may not be increased by more than ten percent without the approval of the Governing Body.

Section 2. Miscellaneous; Effective Date. (a) All prior resolutions that conflict with the provisions of this resolution respecting the Participant's Entitlement Share or Development Cost Share are, to the extent of such conflict, hereby repealed.

(b) In case any provision in this resolution shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(c) This resolution shall take effect immediately upon its adoption and approval.

ADOPTED AND APPROVED this ____ day of _____, 2023.

WASHINGTON CITY

By _____
Mayor

ATTEST:

City Recorder

[SEAL]

Dated November 1, 2021

SCHEDULE I
SCHEDULE OF PARTICIPANTS, ENTITLEMENT SHARES
AND DEVELOPMENT COST SHARES

PARTICIPANT	ENTITLEMENT SHARE (KW)	DEVELOPMENT COST SHARE (%)
Beaver	2,155	1.8600
Blanding	2,500	2.1578
Brigham City	15,250	13.1626
Enterprise	392	0.3383
Ephraim	8,000	6.9049
Fairview	900	0.7768
Fallon	2,000	1.7262
Fillmore	3,019	2.6058
Holden	500	0.4316
Hurricane	20,000	17.2624
Hyrum	10,000	8.6312
Idaho Falls	5,000	4.3156
Kanosh	300	0.2589
Los Alamos	2,155	1.8600
Monroe	1,200	1.0357
Morgan	1,398	1.2066
Mt. Pleasant	3,000	2.5894
Oak City	500	0.4316
Paragonah	200	0.1726
Parowan	3,000	2.5894
Payson	5,000	4.3156
Santa Clara	5,000	4.3156
SESD	3,000	2.5894
Spring City	400	0.3452
Washington	17,990	15.5275
Weber Basin	2,000	1.7262
Wells REC	<u>1,000</u>	<u>0.8631</u>
	<u>115,859</u>	<u>100.0000</u>

GLOSSARY OF NUCLEAR TERMS

Boiling Water Reactor (BWR) – a common nuclear power reactor design in which water flows upward through the core, where it is heated by fission and allowed to boil in the reactor vessel. The resulting steam then drives a turbine-generator to produce electrical power. The CFPP is not a BWR design.

Budget and Plan of Finance (BPF) – a comprehensive budget and plan of finance for the development and construction costs during the licensing and construction periods. The BPF is a contractual term and condition for CFPP. A BPF is required prior at the beginning of each CFPP development phase and at certain other times, such as an increase in the budgeted cost of the CFPP.

Burns & McDonnell (BnM) – a full service engineering architecture, construction, environmental solutions firm. BnM represents UAMPS as an owner’s engineer for the CFPP.

Carbon Free Power Project (CFPP) - UAMPS’ project to develop and construct a small modular reactor project as a long-term source of reliable, carbon-free electricity to replace carbon based resources.

CFPP LLC – a limited liability company formed to develop, construct, operate and decommission a nuclear facility located at INL. UAMPS is the sole Member of the CFPP LLC.

Combined Operating License Application (COLA) – an application to the NRC for the construction and operation license of nuclear power plant at a specific site. The CFPP is currently completing the necessary work to submit a COLA in January 2024.

Combined Operating License (COL) – an NRC issued license that authorizes a licensee to construct and operate a nuclear power plant at a specific site. A COL is usually valid for 40 years (with the possibility of a two 20 year renewals).

Department of Energy (DOE) – governmental authority and owner of the INL site. The DOE has the right and ability to assign, sell, lease or otherwise make available the site to construct and operate the CFPP on the site. DOE is also providing cost-share support for the CFPP to support commercialization of NuScale technology.

Design Certification Application (DCA) – an application to the NRC for approval of a nuclear power plant design independent of an application to construct or operate a plant. Design

certification is achieved through the NRC's rulemaking process and is founded on the NRC staff's review of the application. The application addresses the various safety issues associated with the proposed nuclear power plant design independent of a specific site. NuScale has received a design certification for a 50 MW 12 module plant from the NRC.

Development Cost Reimbursement Agreement (DCRA) – an agreement between UAMPS and NuScale in which NuScale agrees to reimburse UAMPS for a portion of the development costs if a defined project price target or defined subscription target are not achieved and UAMPS elects to withdraw from the project. The price target criteria apply until UAMPS would issue the final notice to proceed to construction and the subscription target criteria apply until submittal of the COLA to the NRC.

Economic Competitiveness Test (ECT) – evaluates the cost to finance, construction, operate and decommission the CFPP utilizing a 40 year levelized cost of energy model and is used to compare to the DCRA price target.

Emergency Planning Zone (EPZ) – an area surrounding a nuclear power plant where predetermined strategies and actions are established for protective actions during a plant emergency situation. The NRC has approved an EPZ at the site boundary for the NuScale Voygr SMR Plants.

Engineering, Procurement and Construction Development Agreement (EPCDA) – an Agreement between UAMPS and Fluor for the initial phases of engineering, procurement and construction of the CFPP.

Final Notice to Proceed (FNTP) – a notice to be issued by UAMPS at the point in time to authorize the construction of the CFPP.

Final Safety Analysis Report (FSAR) – applicants submitting a DCA or COLA to the NRC include a final safety analysis report to provide the technical and safety basis for the NRC's approval of the requested COL or DC.

First of a Kind Engineering (FOAKE) – component and system level engineering and testing needed for new and novel designs that have not been deployed before.

Fluor – the company performing the engineering, procurement and construction (EPC) scope for the CFPP.

Idaho National Laboratory (INL) – a laboratory of the Department of Energy Office of Nuclear Energy located in southeast Idaho near Idaho Falls. UAMPS has entered into a long-term (99

year) Site Use Permit with the DOE for the selection, development and use of an appropriate site at the INL for the CFPP.

Inspections, Tests, Analysis, and Acceptance Criteria (ITAAC) – standards that must be satisfied at the conclusion of constructing a nuclear power plant that confirm the as-constructed plant meets the design and criteria defined in the COL. The plant cannot operate until the ITAAC are completed.

Levelized Cost of Energy (LCOE) – the cost of energy over a specific period of time. The CFPP LCOE is based on a not to exceed price over a 40 year period.

Limited Work Authorization – an application submitted to the NRC to allow for early non-nuclear work at the plant site while the COLA review is underway. CFPP is working with the NRC and DOE on the LWA review process.

Low-level Radioactive Waste (LLW) – a general term for a wide range of items that have become contaminated with radioactive material or have become radioactive through exposure to neutron radiation.

MPR Associates (MPR) – a leading engineering and technology consulting firm aimed at developing and deploying next generation solutions for the electric utility industry. MPR represents UAMPS as an owner’s engineer for the CFPP.

Nuclear Energy Institute (NEI) – is the policy organization of the nuclear energy and technologies industry. NEI participates in both the national and global policy making process. NEI’s objective is to ensure the formation of policies that promote the beneficial uses of nuclear energies and technologies in the United States and around the world.

Nuclear Regulatory Commission (NRC) – regulates commercial nuclear power plants and other uses of nuclear material, such as in nuclear medicine, through licensing, inspection and enforcement of its requirements.

NuScale - a private commercial company formed to develop, license, and market the small modular nuclear reactor concept commonly referred to as the NuScale VOYGR.

NuScale Integral System Test (NIST) – a facility designed by NuScale to test a scaled representation of a NuScale reactor design.

Power Sales Contract (PSC) – a contract between UAMPS and its members for the development, construction, operations and decommissioning of the CFPP.

Pressurized Water Reactor (PWR) – a common nuclear power reactor design in which water is heated by fission, kept under high pressure (to prevent from boiling), and used to heat water in a separate system to make steam which is then used to drive a turbine-generator to produce electrical power. The CFPP is a PWR design.

Price Cost Estimate (PCE) – the estimated cost to design, license, and construct a facility. The PCE typically matures and uncertainty is reduced as engineering and the design are completed. The CFPP had a Class 4 PCE, then completed additional engineering to develop a Class 3 PCE. Future work will perform additional engineering to develop a Class 2 PCE and eventually a Class 1 PCE (the most accurate).

Probabilistic Risk Assessment (PRA) – a systematic method for assessing three questions that designers and the NRC use to define “risk”. These questions consider (1) what can go wrong, (2) how likely it is, and (3) what its consequences might be. These questions allow the NRC to understand likely outcomes, sensitivities, areas of importance, system interaction, and areas of uncertainty, which the staff can use to identify risk-significant scenarios. The NRC uses PRA to determine a numeric estimate of risk to provide insights into the strengths and weaknesses of the design and operation of a nuclear plant.

Regulatory Issue Summary (RIS) – generic communication from the NRC to give licensees, applicants for a license, holders of certificates of compliance, and their contractors guidance on meeting NRC expectations and requirements.

Seismic Safety Hazards Analysis (SSHAC) – evaluation of the probability of earthquakes and resulting safety concerns for nuclear facility installations.

SCRAM – an emergency shutdown of a nuclear reactor. The term and acronym are derived from “Safety Control Rod Axe Man” for the first nuclear reactor at the University of Chicago’s Stagg Field.

Standard Design Approval (SDA) – NRC approval of a standard design for a nuclear power plant (or portions of a plant) that can be referenced and used in subsequent applications. An application for an SDA is an SDAA. NuScale submitted an application to the NRC in December 2022 for the CFPP configuration of six pack of 77 MW reactors.

Small Modular Reactor (SMR) – a nuclear reactor design that is less than 300 MW and typically designed to include large amounts of content manufactured in factories rather than constructed on-site.

Xcel Energy (Xcel) – is the utility company to be the Operations Partner for the CFPP. They are responsible to ensure the CFPP is prepared to operate when constructed. They also assist with the NRC review and approval of the COLA.



Carbon Free Power Project (CFPP)

Power Board Meeting - February 7, 2023 &
City Council Meeting - February 8, 2023



Carbon Free Power Project - CFPP Summary

- The Carbon Free Power Project is a small modular reactor (SMR) project using NuScale technology.
- The CFPP project will consist of six 77 MW reactors (462 MW total) and will be located at the Idaho National Laboratory (INL) near Idaho Falls.
- Washington currently has a 17.99 MW capacity allocation (with our high growth rate future needs may even be higher).
- Target commercial online date is 2029
- Long Term Resource starting in 2029 and continue for 40-60+ years after initial COD

Economic Competitive Test (ECT) Results

Class 3 Project Cost Estimate

- The Class 3 Cost Estimate was completed & reviewed by UAMPS, NuScale, & Fluor
- A run of the Economic Competitiveness Test (ECT), which resulted in a Levelized Cost of Energy (LCOE) has exceeded the target price of \$58/MWH 2020\$. This means UAMPS can withdraw from the project and be reimbursed for most of its out-of-pocket expenses. This is often referred to as the “Off Ramp” provision.
- The new cost estimate also requires a revised Budget & Plan of Finance (BPF), effective March 1, 2023. The revised BPF provides each of the individual Participants with the options to 1) continue in the project at the same (or higher) entitlement share, 2) to withdraw from the project or 3) to reduce its entitlement share in the project.

CFPP Cost Increases - Why?

- The cost increase is primarily influenced by external impacts, not by the project's development
- There have been price increases due to inflationary pressures on the energy supply chain that have not been seen for more than 40 years. In the past two years:
 - Producer Price Index for Fabricated Steel Plate increased 54%
 - Producer Price Index for Carbon Steel Piping increased 106%
 - Producer Price Index for Electrical Equipment increased 25%
 - Producer Price Index for Fabricated Structural Steel increased 70%
 - Producer Price Index for Copper Wire and Cable increased 32%
 - Producer Price Index for All Commodities increased 45%
- In addition, the referenced interest rate used for the project's cost modeling has increased approximately 200 basis points since July 2020

CFPP

- An amended Development Cost Reimbursement Agreement (DCRA) has been negotiated to reduce risk and allow project termination in the event of a future ECT failure or if substantial subscription targets are not achieved by the end of 2023.
- The new price target in 2022\$'s is \$89/MWh
- This price is still attractive comparing other potential carbon-free resources that are dispatchable (available 24/7), such as other advanced reactors, green hydrogen, storage, batteries, etc. - *Not all resources have the same capabilities.*

CFPP - AMENDED DCRA PROTECTIONS

- The Amended DCRA provides for 100% reimbursement to the project participants if there is a failure of the Economic Competitive Test (ECT) of \$89/MWh (2022\$'s) through the COLA development phase of the project (January 2024 & Class 2 project estimate)
- The Amended DCRA also provides for 100% reimbursement to the project participants if the project subscription doesn't reach the 80% level (370 MW of total subscription, or 254 MW new) by the end of this period.

Subscription Status

- 27* UAMPS Members Signed PSC's 116 MW
PSC - Power Sales Contract
- 254 MW additional needed to reach the 370 MW 80% subscription level
- Other utilities, equity partners and other options are being pursued
- "Off Ramp Activity"
 - Beaver, Blanding & Monroe have approved resolutions to continue with the project
 - Morgan has elected to withdraw from the project
 - Some participants are considering increasing their subscription

CFPP Next Steps

- The next Phase of the project will be to develop the COLA ready to submit to the NRC
 - This resolution approval takes us through COLA preparation & ready for submittal to the NRC (January 2024)
 - Additional site study work & engineering design will be completed and cost estimates will be refined which will continue to reduce the uncertainties of the project. The information from this work is needed to keep the overall project on track for 2029.
 - During this period information will be developed and refined as required for the COLA submittal
 - Class 2 estimate & ECT Run – First Quarter 2024 & ECT Run
 - UAMPS will be focused on signing up additional participants into the project to fill the remaining subscription for the project.
 - *As additional participants come in our cost share % will be reduced.*

CFPP - Washington City

- Based on the projects *current* project participation levels, the City's cost share for the COLA development phase is 15.5275% or \$13.82M - Class 2 estimate - January of 2024
- *Note these amounts are included in the \$89/MWh and would only require payment if the City or UAMPS withdraws for convenience.*
- The % amount and development phase cost commitment may change based on new participation levels. The numbers may fluctuate based on overall project participation.
- *As additional participants come into the project our cost share will go down*
- If the price target is not met or if an 80% subscription level isn't met by January 2024 then UAMPS & the City would receive 100% reimbursement.

CFPP - COLA Development Phase

Staff Recommendations/Next Steps

- The City continues to evaluate all available resource options. An overall balanced resource mix will provide the best stability to power costs. Other supply sources will continue to be evaluated.
- It is more risky to do nothing and leave wholesale power costs to chance (August 2020, February 2021, September 2022, December 2022 & the current winter pricing)
- All options have risk due to the uncertain nature of technologies, markets & legislative requirements
- **Recommend that the City Council approve the participation in the COLA Development Phase 1B of the project through the Class 2 estimate and preparation of the COLA for submission to the NRC (January 2024) – See resolution**
- Approval is needed by February 17, 2021 to keep the overall project schedule on track for 2029 COD
- New Budget & Plan of Finance goes into effect after approval of the various boards (March 2023)
- Note due to the complexities of getting multiple governing board approvals, some dates & %'s may shift. A 10% increase is provided for in the resolution language.

QUESTIONS

To: Participants in the Carbon Free Power Project

From: Utah Associated Municipal Power Systems

Date: January 4, 2023

Re: Notice of Amended Budget and Plan of Finance and Class 3 Project Cost Estimate

INTRODUCTION

This memorandum and accompanying documents (this “*Notice*”) constitutes UAMPS’ notice to you pursuant to the Carbon Free Power Project Power Sales Contracts (the “*Power Sales Contracts*”) and certain resolutions approved and adopted by the Project Management Committee (the “*PMC*”) and the Board of Directors with respect to (a) the PMC’s approval of an amended Budget and Plan of Finance (the “*Amended BPF*”) for the Carbon Free Power Project (the “*Project*”) and (b) the Class 3 Project Cost Estimate (the “*Class 3 PCE*”) for the Project and the results of the related Economic Competitiveness Test (the “*ECT*”). Capitalized terms used and not defined herein have the meanings assigned to in the Power Sales Contracts.

The Amended BPF increases the maximum amount of Development Costs that may be incurred during the phase of the Licensing Period that is expected to begin on March 1, 2023 and that ends upon the delivery of the Class 2 Project Cost Estimate by Fluor and the submission of the Construction and Operating Licensing Application (the “*COLA*”) to the Nuclear Regulatory Commission (the “*NRC*”), which are expected to occur by the end of January 2024 (this period is referred to in the Amended BPF as “Phase 1B of the Licensing Period”). As described below, the increased estimated Cost of Acquisition and Construction in the Amended BPF is based upon the Class 3 PCE that has been submitted by Fluor, as well as updates to other items within the Cost of Acquisition and Construction (e.g., owner’s costs, interest rate assumptions, etc.).

Under the provisions of the Power Sales Contracts and certain resolutions approved and adopted by the PMC and the Board of Directors, the delivery of this Notice provides each of the Participants with the option to withdraw from the Project or to reduce its Entitlement Share in the Project by delivering a Notice of Withdrawal or a Notice of Reduction to UAMPS by February 17, 2023. Any withdrawals or reductions will become effective immediately before the expected March 1, 2023 effective date of the Amended BPF (i.e., at 11:59:59 p.m. on February 28, 2023). A Participant’s decision on whether to withdraw from the Project, to reduce its Entitlement Share in the Project, or to continue in the Project with its current Entitlement Share by providing a Notice of Continuation should be made by a resolution adopted by its governing body. Forms of these resolutions, the Notice of Withdrawal, the Notice of Reduction and the Notice of Continuation, together with details on how to complete and deliver a Notice of Withdrawal, a Notice of Reduction or a Notice of Continuation are included at the end of this Notice.

CLASS 3 PROJECT COST ESTIMATE; ESTIMATED COST OF ACQUISITION AND CONSTRUCTION

Flour provided the Class 3 PCE to CFPP LLC (*“Project Company”*) pursuant to the provisions of the Development Agreement between them. The Class 3 PCE together with updated owner’s costs and interest rate assumptions produced a total estimated Cost of Acquisition and Construction for the Project of \$9,336 million. The primary causes of the increase in the estimated costs of the Project are the effects of inflation, increased commodity prices and increased interest rates. In addition, Xcel Energy also provided an updated operating and maintenance cost estimate (the *“Updated OCE”*) for the Project. The Class 3 PCE, the Updated OCE and the Owner’s Cost Estimate were approved by Project Company on December 16, 2022.

The total estimated Cost of Acquisition and Construction will be offset by the cost-sharing payments made by the U.S. Department of Energy (*“DOE”*) under the Assistance Agreement (the *“Cost Share Award”*) awarded to Project Company in October 2020. These payments are expected to total \$1,355 million which, together with \$9 million of prior cost sharing payments by NuScale, reduces Project costs to \$7,972 million. Project costs are expected to be further reduced by the benefits available for the Project under the Inflation Reduction Act (the *“IRA”*) that was signed into law in August 2022. While the amount of the benefits from the Inflation Reduction Act cannot be determined until guidance is provided by the U.S. Treasury, a preliminary analysis indicates that approximately \$2,846 million of benefits could be available, which would reduce net Project costs to \$5,126 million. Any benefits under the IRA would be received after the commercial operation date of the Project and would be used to retire a portion of the bonds issued to finance the cost of construction.

Based upon the information in the Class 3 PCE, it is necessary for UAMPS to amend the Budget and Plan of Finance for the Project as described below.

ECONOMIC COMPETITIVENESS TEST AND LEVELIZED COST OF ENERGY

Under the Development Cost Reimbursement Agreement, as previously amended (the *“DCRA”*), NuScale provided the results of the required Economic Competitiveness Test (the *“ECT”*) to Project Company on December 16, 2022. Based on the Class 3 PCE, the DOE cost-sharing payments, the estimated IRA benefits and the Updated OCE, the projected levelized cost of energy from the Project is projected to be \$89.00/MWh (in July 2022 dollars). This exceeds the current Price Target of \$58.00/MWh (in July 2020 dollars) and constitutes an *“ECT Failure,”* which gives Project Company the right to terminate the DCRA.

If Project Company (acting at the direction of the PMC) elects to terminate the DCRA based on this ECT Failure, NuScale would be obligated to reimburse Project Company for the accrued *“Net Development Costs”* (as defined in the DCRA) of the Project. Reimbursement amounts received from NuScale would be used to pay down the outstanding balance of the revolving line of credit that has been used to pay the Development Costs of the Project.

PROJECT SUBSCRIPTION; SUBSCRIPTION PLAN

The attached Schedule I lists the current Participants in the Project and their current Entitlement Shares (in kW) and Development Cost Shares (as a percentage of Development Costs). The current Entitlement Shares of all Participants total 115,859 kW or approximately 25% of the 462,000 kW projected gross generating capacity of the Project.

As a part of Amendment No. 3 to the DCRA (described below), Project Company and NuScale will implement the “CFPP 2023 Subscription Plan” that includes a number of collaborative efforts to increase the subscription in the Project to 370,000 kW, which is approximately 80% of the projected gross generating capacity of the Project, by the time the COLA is submitted to the NRC (the “*Subscription Target*”). The Subscription Target will be reduced on a kW for kW basis if Participants withdraw from the Project or reduce their Entitlement Shares after January 4, 2023.

The collaborative efforts under the CFPP 2023 Subscription Plan include: further outreach to prospective power purchasers and equity investors; reducing the levelized cost of energy from the Project through value engineering, additional funding options, and lower cost financing options; creating early-mover incentives in power purchase and ownership agreements; and engaging and supporting the existing Participants to assess their generation needs and optimize their subscription levels under the Power Sales Contracts. Project Company will recruit and hire a Business Development Director to lead and oversee these subscription efforts.

AMENDMENT NO. 3 TO THE DCRA, LLM AGREEMENT AND TOLLING AGREEMENT

In connection with the continued development of the Project, Project Company and NuScale have negotiated, and the PMC has approved, the following agreements:

Amendment No. 3 to the DCRA. Amendment No. 3 supplements and amends the DCRA in the following respects:

- The Price Target for the levelized cost of energy from the Project under the ECT is increased from \$58.00/MWh (in July 2020 dollars) to \$89.00/MWh (in July 2022 dollars).
- In addition to its existing right to terminate the DCRA for failure of the ECT, Project Company has an additional right to terminate the DCRA and collect reimbursement from NuScale if Project subscription fails to meet or exceed the Subscription Target (described above) on the earlier of the COLA submittal or February 1, 2024.
- In the event that Project Company terminates the DCRA for failure of the ECT or failure to achieve the Subscription Target and NuScale does not instruct Project Company to convey its ownership interest in the Project Assets to NuScale within sixty days, CFPP may convey the Project Assets to DOE pursuant to the Cost Share Award. The parties may agree to extend the sixty-day period, but any such

extension will not affect the timing for the reimbursement payment due from NuScale.

- NuScale may terminate the DCRA for convenience on or before March 1, 2023 if it is unable to reach an agreement with DOE relating to the conveyance of LLM to NuScale in the event of a future termination of the DCRA by Project Company for failure of the ECT. The terms and effect of such termination would be the same as the terms for and effect of a termination of the DCRA for failure of the ECT (*i.e.*, NuScale reimbursement of Net Development Costs up to the Reimbursement Caps).
- The Reimbursement Cap (*i.e.*, the maximum amount of reimbursement that NuScale is required to pay in the event that the DCRA is terminated by Project Company) for the period from the effective date of Amendment No. 3 to the later of COLA submission or the delivery of the Class 2 PCE will be \$34.5 million.
- For purposes of the ECT, the parties agree to develop a methodology for measuring the expected economic benefits of the IRA.

Amendment No. 3 will become effective as of the later of February 28, 2023 or the date on which the PMC approves any revisions to Schedule I to the Power Sale Contracts associated with the Project for the remainder of Phase 1 under the DCRA.

LLM Agreement. Project Company and NuScale are negotiating the terms of an OEM Equipment Supply Agreement under which NuScale will manufacture and deliver the nuclear power modules and other long lead materials (the “*LLM*”) for the Project. Pending the completion of the OEM Equipment Supply Agreement and in order to advance the development of the Project, Project Company and NuScale will enter into a Long Lead Material Reimbursement Agreement (the “*LLM Agreement*”) under which Project Company will issue task orders to NuScale for the LLM. In the event that Project Company terminates the DCRA for failure of the ECT or failure to achieve the Subscription Target, NuScale will be obligated to reimburse Project Company for the amounts actually paid for the LLM, subject to a reimbursement cap of \$49 million. NuScale is required to provide credit support for this reimbursement obligation under the same terms and conditions as are in the DCRA.

Tolling Agreement. Under the Tolling Agreement, NuScale agrees that Project Company will have until March 1, 2023, unless extended by mutual agreement of the parties, to deliver written notice of its intent to terminate its participation in the Project based on the ECT Failure under the DCRA.

AMENDED BUDGET AND PLAN OF FINANCE

Attached as Exhibit BPF is a summary of the Amended BPF. The Amended BPF increases the maximum amount of Development Costs for Phase 1B of the Licensing Period, which is expected to begin on March 1, 2023 and end on the date of delivery of the Class 2 PCE and the submission of the COLA to the NRC (expected to occur by January 31, 2024) from \$197 million

to \$255 million. After DOE reimbursements pursuant to the Cost Share Award, the net Development Costs for Phase 1B of the Licensing Period are expected to be approximately \$60 million. As noted above, the Reimbursement Cap under the DCRA has been increased to cover most of the increase in Net Development Costs during Phase 1B of the Licensing Period. The total maximum cost exposure of all Participants is expected from \$4.7 million to \$5.4 million during Phase 1B of the Licensing Period, which is less than 0.30% of the total Development Costs during this Phase.

Exhibit BPF also includes a schedule showing the major categories of the projected Development Costs expected to be incurred during the term of the Amended BPF (*i.e.*, during Phase 1B of the Licensing Period).

Upon the conclusion of Phase 1B of the Licensing Period, the PMC will determine whether to submit the COLA to the NRC and whether the Budget and Plan of Finance needs to be amended to cover the net Development Costs during Phase 2 of the Licensing Period (February 2024 through July 2026). The Power Sales Contracts require UAMPS to provide notice to the Participants of (a) the proposed determinations of the PMC and (b) their right to deliver a Notice of Withdrawal or a Notice of Reduction that would become effective at the end of Phase 1B of the Licensing Period.

PARTICIPANT COST EXPOSURE UNDER THE AMENDED BPF

Exhibit X shows the Participant's maximum cost exposure under the Amended BPF (*i.e.*, its Development Cost Share of net Development Costs incurred from April 2015 through January 31, 2024). This information is being provided on an individual basis so that each Participant will receive only its maximum cost exposure and not the cost exposures of the other Participants.

Under the Power Sales Contracts (a) the Participants' maximum cost exposure can be increased only if the Amended Budget and Plan of Finance is amended to increase the maximum amount of Development Costs that may be incurred, and (b) before any such amendment can take effect, each Participant must be provided with the opportunity to deliver a Notice of Withdrawal or a Notice of Reduction. Accordingly, if a Participant is comfortable with the amount of its maximum cost exposure, it is not necessary for the Participant's governing body to impose an additional dollar limit on the amount of its maximum cost exposure. If a Participant is not comfortable with the amount of its maximum cost exposure, it should consider delivering a Notice of Reduction to reduce its Development Cost Share.

PARTICIPANT PAYMENTS AFTER WITHDRAWAL OR REDUCTION

A Participant that elects to withdraw from the Project or to reduce its Entitlement Share will be responsible for its Development Cost Share of the net Development Costs incurred to the effective date of its withdrawal or reduction (*i.e.*, through February 28, 2023).

A Participant that delivers a Notice of Withdrawal pursuant to this Notice is required to repay its Development Cost Share of net Development Costs within twelve months of the effective

date of the withdrawal. Exhibit X also shows the estimated exit payment that would be payable if the Participant delivers a Notice of Withdrawal. This information is being provided on an individual basis so that each Participant will receive only its exit payment and not the exit payments of the other Participants. The estimated exit payment is subject to change and adjustment based upon actual net Development Costs incurred through February 28, 2023.

A Participant that delivers a Notice of Reduction pursuant to this Notice will not be required to repay its Development Cost Share of net Development Costs, and will have a reduced Development Cost Share from and after the effective date of its reduction (*i.e.*, March 1, 2023). The amount of the reduction in the Development Cost Share depends in part on any withdrawals or reductions by other Participants.

REGIONAL BRIEFINGS

UAMPS has scheduled several in-person and virtual regional briefing meetings during the month of January to provide additional information regarding the Project and the topics summarized in this Notice to the Participants, their elected officials and utility representatives. Powerpoint presentations will also be prepared to provide further information with respect to the Project. Please contact Jackie Coombs if you need further information regarding these briefings.

PARTICIPANT RESOLUTION, NOTICE OF WITHDRAWAL AND NOTICE OF REDUCTION; DELIVERY

Forms. If a Participant's governing body determines that the Participant should withdraw from the Project, it should adopt the "Withdrawal Resolution" attached as Exhibit W, and the Participant's Representative to UAMPS should complete the "Notice of Withdrawal" attached to Exhibit W.

If a Participant's governing body determines that the Participant should reduce its Entitlement Share in the Project, it should adopt the "Reduction Resolution" attached as Exhibit R, and the Participant's Representative to UAMPS should complete the "Notice of Reduction" attached to Exhibit R.

If a Participant's governing body determines that the Participant should continue as a Participant with its current Entitlement Share, it should adopt the "Continuation Resolution" attached as Exhibit C. No separate Notice of Continuation needs to be provided by a Participant that adopts a Continuation Resolution.

Please contact Jackie Coombs if you believe that you need to make any revisions or additions to the attached forms of the Resolutions and Notices. Changes to the text of these forms can have unintended consequences, and we will work with you to resolve any issues or concerns that you may have.

Delivery. Withdrawal Resolutions, Notices of Withdrawal, Reduction Resolutions, Notices of Reduction and Continuation Resolutions ***must be delivered to UAMPS no later than February 17, 2023***, as follows:

Jackie Coombs
Manager of Corporate and Member Relations
Utah Associated Municipal Power Systems
155 North 400 West, Suite 480
Salt Lake City, Utah 84103
Email: jackie@uamps.com

Please send scanned copies of your completed Resolution and Notice of Withdrawal or Notice of Reduction to Jackie's email address shown above, and send hardcopies of your completed Resolution and Notice to Jackie via overnight delivery service (FedEx, UPS, USPS) or registered mail. Don't hesitate to contact Jackie if you have any questions regarding how to complete and deliver your Resolution and Notice.

ATTACHMENTS:

Schedule I	Participants, Entitlement Shares and Development Cost Shares
Exhibit BPF	Amended Budget and Plan of Finance
Exhibit C	Continuation Resolution
Exhibit R	Reduction Resolution and Notice of Reduction
Exhibit W	Withdrawal Resolution and Notice of Withdrawal
Exhibit X	Participant's Maximum Cost Exposure/Exit Payment

Dated November 1, 2021

SCHEDULE I

**SCHEDULE OF PARTICIPANTS, ENTITLEMENT SHARES
AND DEVELOPMENT COST SHARES**

PARTICIPANT	ENTITLEMENT SHARE (KW)	DEVELOPMENT COST SHARE (%)
Beaver	2,155	1.8600
Blanding	2,500	2.1578
Brigham City	15,250	13.1626
Enterprise	392	0.3383
Ephraim	8,000	6.9049
Fairview	900	0.7768
Fallon	2,000	1.7262
Fillmore	3,019	2.6058
Holden	500	0.4316
Hurricane	20,000	17.2624
Hyrum	10,000	8.6312
Idaho Falls	5,000	4.3156
Kanosh	300	0.2589
Los Alamos	2,155	1.8600
Monroe	1,200	1.0357
Morgan	1,398	1.2066
Mt. Pleasant	3,000	2.5894
Oak City	500	0.4316
Paragonah	200	0.1726
Parowan	3,000	2.5894
Payson	5,000	4.3156
Santa Clara	5,000	4.3156
SESD	3,000	2.5894
Spring City	400	0.3452
Washington	17,990	15.5275
Weber Basin	2,000	1.7262
Wells REC	<u>1,000</u>	<u>0.8631</u>
	<u>115,859</u>	<u>100.0000</u>

EXHIBIT BPF

AMENDED BUDGET AND PLAN OF FINANCE

EFFECTIVE DATE AND PERIOD

The expected effective date of the Amended BPF is March 1, 2023, and the Amended BPF is expected to remain in effect until January 31, 2024. The period during which the Amended BPF is in effect is referred to as “Phase 1B” of the Licensing Period.

ESTIMATED DEVELOPMENT COSTS AND COST OF ACQUISITION AND CONSTRUCTION

Gross Costs. The following table shows the total Development Costs and the total Cost of Acquisition and Construction of the Project without accounting for the DOE Cost Share Award or potential IRA benefits (*i.e.*, gross costs).

PERIOD	COSTS (\$M)	START	END
Initial Development Period	\$ 13	Apr 2015	Dec 2020
Licensing Period Phase 1A (Development Work to PCE 3)	112	Jan 2021	Feb 2023
Licensing Period Phase 1B (Devel. Work to PCE 2/COLA Submit)	255	Mar 2023	Jan 2024
Licensing Period Phase 2 (NRC COLA review)	<u>2,302</u>	Feb 2024	Jul 2026
TOTAL DEVELOPMENT COSTS	\$2,682	Apr 2015	Jul 2026
Construction Period	<u>6,654</u>	Aug 2026	Dec 2030
TOTAL COST OF ACQUISITION AND CONSTRUCTION	<u>\$9,336</u>		

Net Costs. The following table shows the total net Development Costs and the net Cost of Acquisition and Construction of the Project after DOE reimbursements under the Cost Share Award and potential Inflation Reduction Act (“IRA”) benefits (*i.e.*, net costs).

PERIOD	COSTS (\$M)	START	END
Initial Development Period	\$ 3	Apr 2015	Dec 2020
Licensing Period Phase 1A (Development Work to PCE 3)	26	Jan 2021	Feb 2023
Licensing Period Phase 1B (Devel. Work to PCE 2/COLA Submit)	60	Mar 2023	Jan 2024
Licensing Period Phase 2 (NRC COLA review)	<u>1,446</u>	Feb 2024	Jul 2026
TOTAL NET DEVELOPMENT COSTS ¹	\$1,535	Apr 2015	Jul 2026
Construction Period	<u>6,437</u>	Aug 2026	Dec 2030
NET COST OF ACQUISITION AND CONSTRUCTION ¹	\$7,972	Apr 2015	Dec 2030
Projected IRA Benefits (post COD)	<u>(2,846)</u>	Jan 2031	Jun 2031
TOTAL NET COST OF ACQUISITION AND CONSTRUCTION ²	<u>\$5,126</u>		

1. Net of DOE reimbursements under Cost Share Award and previous cost sharing payments from NuScale.

2. Net of DOE reimbursements under Cost Share Award, NuScale cost sharing payments and projected IRA benefits.

ESTIMATED TIMELINE

Phase 1A of the Licensing Period is expected to end on February 28, 2023 (*i.e.*, immediately before the effective date of the Amended BPF). Phase 1B of the Licensing Period is expected to begin on March 1, 2023 and is expected end on January 31, 2024. Phase 2 of the Licensing Period is expected to begin on February 1, 2024 and is expected end on July 31, 2026. The Construction Period is expected to begin on the date that the Completion of Development occurs (August 1, 2026 expected) and to end on the Commercial Operation Date of the Project (December 31, 2030 expected).

TARGET PRICE

The target price for Project output sold to the Participants under the Power Sales Contracts is \$89.00/MWh (2022 dollars).

FUNDING AND FINANCING FOR DEVELOPMENT COSTS

During the Licensing Period, the Development Costs will be funded in part by reimbursements made by DOE under the Cost Share Award. Approximately \$1,147 million of total reimbursements are expected to be received from DOE in respect of Development Costs during the Licensing Period.

Development Costs not reimbursed by DOE will be carried on the Revolving Credit Agreement which became effective on September 15, 2021 and which has been extended to March 31, 2023. Up to \$50 million may be drawn under the extended Revolving Credit Agreement, and approximately \$29 million of draws (net of DOE reimbursements) are expected to be outstanding under the Revolving Credit Agreement as of February 28, 2023.

In connection with the Amended BPF, UAMPS has begun negotiations with the Administrative Agent to extend the term of the Revolving Credit Agreement and increase in the amount that may be drawn to \$89 million, which is expected to be sufficient to carry the net Development Costs of the Project through the term of the Amended BPF (*i.e.*, to the end of Phase 1B of the Licensing Period, January 31, 2024 expected).

At the end of Phase 1B of the Licensing Period, the Project Management Committee will determine whether to submit the COLA to the NRC and whether to approve additional amendments to the Budget and Plan of Finance for Phase 2 of the Licensing Period based on the Class 2 PCE and other necessary updates. If the Project proceeds to Phase 2 of the Licensing Period, UAMPS will require financing for the approximately \$1,535 million of net Development Costs that are currently estimated to be incurred to the Completion of Development. UAMPS currently expects that this financing will be under a credit facility provided by a syndicate of large banks under a new credit agreement.

FUNDING AND FINANCING FOR COST OF ACQUISITION AND CONSTRUCTION

At the time of that Completion of Development occurs and if the Project Management Committee determines that the Project should proceed to the Construction Period, UAMPS will require approximately \$7,972 million to finance the Cost of Acquisition and Construction of the

Project, which amount (a) includes the funds necessary to repay the amounts outstanding under the bank credit facility for the net Development Costs of the Project and (b) is net of expected DOE reimbursements during the Construction Period of \$217 million.

It is expected that this financing will be accomplished through three separate bond issuances: (a) an initial issuance at the beginning of the Construction Period of approximately \$4,000 million to repay all outstanding amounts under the bank credit facility and to fund the first 15 months of construction costs; (b) a second issuance of approximately \$2,500 million to fund the next 12 months of construction costs; and (c) a final issuance of approximately \$1,500 million to finance the remaining construction costs to the Completion of Development. The bonds are expected to be issued as tax-exempt obligations under the Internal Revenue Code, and a combination of variable rate bonds (up to 25% of total principal) and fixed rate bonds (75% or more of total principal) is currently expected.

Following the Commercial Operation Date of the Project, Project Company will apply to the U.S. Treasury for the investment tax credit and other benefits available for the Project under the IRA. While the amount of the benefits from the IRA cannot be determined until guidance is provided by the U.S. Treasury, a preliminary analysis indicates that approximately \$2,846 million of tax credits and other benefits could be available. Amounts received from the U.S. Treasury would be used to retire a portion of the bonds issued to finance the cost of construction of the Project, potentially reducing the total amount of outstanding bonds to \$5,126 million. The terms of the bonds will be structured to optimize and enable their early retirement with the IRA benefits that are received.

EXHIBIT C

FORM OF CONTINUATION RESOLUTION

RESOLUTION NO. _____

A RESOLUTION APPROVING THE CONTINUATION OF THE PARTICIPANT'S ENTITLEMENT SHARE UNDER THE CARBON FREE POWER PROJECT POWER SALES CONTRACT FOR PHASE 1B OF THE LICENSING PERIOD FOR THE CARBON FREE POWER PROJECT; AND RELATED MATTERS.

***** ***** *****

WHEREAS, the entity named below (the "*Participant*") is a member of Utah Associated Municipal Power Systems ("*UAMPS*") pursuant to the provisions of the Utah Associated Municipal Power Systems Amended and Restated Agreement for Joint and Cooperative Action, as amended (the "*Joint Action Agreement*");

WHEREAS, the Participant has previously approved, executed and delivered the Carbon Free Power Sales Contract dated as of April 1, 2018 (the "*Power Sales Contract*") with UAMPS, with a current Entitlement Share and a current Development Cost Share shown on Schedule I attached hereto (initially capitalized terms used and not defined herein have the meanings assigned to them in the Power Sales Contract);

WHEREAS, at the direction of the Project Management Committee, UAMPS has delivered a notice dated January 4, 2023 (the "*UAMPS Notice*") to the Participant of (a) the delivery of the Class 3 Project Cost Estimate for the Project and the results of the related run of the economic competitiveness test, (b) the proposed adoption of an amendment to the Budget and Plan of Finance for the Project (the "*Amended BPF*"), and (c) the Participant's right to deliver a Notice of Withdrawal or a Notice of Reduction or to continue with its current Entitlement Share in the Project during the term of the Amended BPF, with any such withdrawal, reduction or continuation to be effective immediately before the Amended BPF takes effect;

WHEREAS, the Amended BPF is expected to be in effect from approximately March 1, 2023 until approximately January 31, 2024 (such period is referred to herein as "*Phase 1B of the Licensing Period*") and pursuant to the Power Sales Contract, the Participant will have the additional right to deliver a Notice of Withdrawal or a Notice of Reduction or to continue with its current Entitlement Share in the Project at the end of Phase 1B of the Licensing Period; and

WHEREAS, the Governing Body has determined that the Participant should continue with its current Entitlement Share during Phase 1B of the Licensing Period;

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the Participant, as follows:

Section 1. Continuation of Entitlement Share for Phase 1B of the Licensing Period. (a) The Participant hereby authorizes and approves maintaining and continuing its current Entitlement Share in the Project as shown on Schedule I attached hereto. The Participant acknowledges and agrees that Schedule I shows its correct Entitlement Share and its correct Development Cost Share as of the date hereof.

(b) The Participant acknowledges that its Development Cost Share for Phase 1B of the Licensing Period (as shown on the attached Schedule I) would, by operation of the provisions of the Power Sales Contract, increase if other Participants determine to withdraw from the Project or reduce their Entitlement Shares as provided in the UAMPS Notice. Upon receipt of notice from UAMPS of any such withdrawals or reductions, the Participant's Representative is hereby authorized by and on behalf of the Participant, and is hereby delegated full authority, to give notice to UAMPS of the Participant's election to (i) reduce its current Entitlement Share in such amount as shall be necessary to maintain its current Development Cost Share or (ii) maintain its current Entitlement Share, which will result in an increase in its current Development Cost Share, *provided that* the Participant's current Development Cost Share may not be increased by more than ten percent without the approval of the Governing Body.

Section 2. Miscellaneous; Effective Date. (a) All prior resolutions that conflict with the provisions of this resolution respecting the Participant's Entitlement Share or Development Cost Share are, to the extent of such conflict, hereby repealed.

(b) In case any provision in this resolution shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(c) This resolution shall take effect immediately upon its adoption and approval.

ADOPTED AND APPROVED this ____ day of _____, 2023.

WASHINGTON CITY

By _____
Mayor

ATTEST:

City Recorder

[SEAL]

Dated November 1, 2021

SCHEDULE I
SCHEDULE OF PARTICIPANTS, ENTITLEMENT SHARES
AND DEVELOPMENT COST SHARES

PARTICIPANT	ENTITLEMENT SHARE (KW)	DEVELOPMENT COST SHARE (%)
Beaver	2,155	1.8600
Blanding	2,500	2.1578
Brigham City	15,250	13.1626
Enterprise	392	0.3383
Ephraim	8,000	6.9049
Fairview	900	0.7768
Fallon	2,000	1.7262
Fillmore	3,019	2.6058
Holden	500	0.4316
Hurricane	20,000	17.2624
Hyrum	10,000	8.6312
Idaho Falls	5,000	4.3156
Kanosh	300	0.2589
Los Alamos	2,155	1.8600
Monroe	1,200	1.0357
Morgan	1,398	1.2066
Mt. Pleasant	3,000	2.5894
Oak City	500	0.4316
Paragonah	200	0.1726
Parowan	3,000	2.5894
Payson	5,000	4.3156
Santa Clara	5,000	4.3156
SESD	3,000	2.5894
Spring City	400	0.3452
Washington	17,990	15.5275
Weber Basin	2,000	1.7262
Wells REC	<u>1,000</u>	<u>0.8631</u>
	<u>115,859</u>	<u>100.0000</u>

EXHIBIT R

FORM OF REDUCTION RESOLUTION

RESOLUTION NO. _____

A RESOLUTION APPROVING THE REDUCTION OF THE PARTICIPANT'S
ENTITLEMENT SHARE UNDER THE CARBON FREE POWER PROJECT
POWER SALES CONTRACT; AND RELATED MATTERS.

WHEREAS, the entity named below (the "*Participant*") is a member of Utah Associated Municipal Power Systems ("*UAMPS*") pursuant to the provisions of the Utah Associated Municipal Power Systems Amended and Restated Agreement for Joint and Cooperative Action, as amended (the "*Joint Action Agreement*");

WHEREAS, the Participant has previously approved, executed and delivered the Carbon Free Power Sales Contract dated as of April 1, 2018 (the "*Power Sales Contract*") with UAMPS, with a current Entitlement Share and a current Development Cost Share shown on Schedule I attached hereto (initially capitalized terms used and not defined herein have the meanings assigned to them in the Power Sales Contract);

WHEREAS, at the direction of the Project Management Committee, UAMPS has delivered a notice dated January 4, 2023 (the "*UAMPS Notice*") to the Participant of (a) the delivery of the Class 3 Project Cost Estimate for the Project and the results of the related run of the economic competitiveness test, (b) the proposed adoption of an amendment to the Budget and Plan of Finance for the Project (the "*Amended BPF*"), and (c) the Participant's right to deliver a Notice of Withdrawal or a Notice of Reduction or to continue with its current Entitlement Share in the Project during the term of the Amended BPF, with any such withdrawal, reduction or continuation to be effective immediately before the Amended BPF takes effect;

WHEREAS, the Amended BPF is expected to be in effect from approximately March 1, 2023 until approximately January 31, 2024 (such period is referred to herein as "*Phase 1B of the Licensing Period*") and pursuant to the Power Sales Contract, the Participant will have the additional right to deliver a Notice of Withdrawal or a Notice of Reduction or to continue with its current Entitlement Share in the Project at the end of Phase 1B of the Licensing Period; and

WHEREAS, the Governing Body has determined that the Participant should reduce its Entitlement Share under the Power Sales Contract, and such reduction shall be effective immediately before the effective date of the Amended BPF;

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the Participant, as follows:

Section 1. Reduction of Entitlement Share. (a). The Participant hereby elects to reduce its Entitlement Share under the Power Sales Contract to the amount shown in the Notice of Reduction attached hereto, and the Participant's Representative is authorized and directed to execute and deliver to UAMPS such Notice of Reduction. The Participant acknowledges and agrees that it shall remain responsible for the payment of its Development Cost Share (as shown on Schedule I attached hereto) of the net Development Costs of the Project that are incurred up to (but not including) the effective date of the Amended BPF.

(b) The Participant acknowledges that the reduction in its Development Cost Share for Phase 1B of the Licensing Period may not be proportional to the reduction in its Entitlement Share if other Participants to determine to withdraw from the Project or reduce their Entitlement Shares as provided in the UAMPS Notice. Upon receipt of notice from UAMPS of any such withdrawals or reductions, the Participant's Representative is hereby authorized by and on behalf of the Participant, and is hereby delegated full authority, to give notice to UAMPS of the Participant's election to (i) further reduce its current Entitlement Share in such amount as shall be necessary to achieve a reduction in its Development Cost Share that is proportional to the reduction in its Entitlement Share or (ii) maintain its election to reduce its Entitlement Share in the amount shown in the attached Notice of Reduction, which will result in a reduced decrease in its Development Cost Share for Phase 1B of the Licensing Period.

Section 2. Miscellaneous; Effective Date. (a) All prior resolutions that conflict with the provisions of this resolution respecting the Participant's Entitlement Share or Development Cost Share are, to the extent of such conflict, hereby repealed.

(b) In case any provision in this resolution shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(c) This resolution shall take effect immediately upon its adoption and approval.

ADOPTED AND APPROVED this ____ day of _____, 2023.

WASHINGTON CITY

By _____
Mayor

ATTEST:

City Recorder

[SEAL]

Dated November 1, 2021

SCHEDULE I
SCHEDULE OF PARTICIPANTS, ENTITLEMENT SHARES
AND DEVELOPMENT COST SHARES

PARTICIPANT	ENTITLEMENT SHARE (KW)	DEVELOPMENT COST SHARE (%)
Beaver	2,155	1.8600
Blanding	2,500	2.1578
Brigham City	15,250	13.1626
Enterprise	392	0.3383
Ephraim	8,000	6.9049
Fairview	900	0.7768
Fallon	2,000	1.7262
Fillmore	3,019	2.6058
Holden	500	0.4316
Hurricane	20,000	17.2624
Hyrum	10,000	8.6312
Idaho Falls	5,000	4.3156
Kanosh	300	0.2589
Los Alamos	2,155	1.8600
Monroe	1,200	1.0357
Morgan	1,398	1.2066
Mt. Pleasant	3,000	2.5894
Oak City	500	0.4316
Paragonah	200	0.1726
Parowan	3,000	2.5894
Payson	5,000	4.3156
Santa Clara	5,000	4.3156
SESD	3,000	2.5894
Spring City	400	0.3452
Washington	17,990	15.5275
Weber Basin	2,000	1.7262
Wells REC	<u>1,000</u>	<u>0.8631</u>
	<u>115,859</u>	<u>100.0000</u>

EXHIBIT A

FORM OF NOTICE OF REDUCTION

Utah Associated Municipal Power Systems
155 North 400 West, Suite 480
Salt Lake City, Utah 84103
Attention: Chief Executive Officer
General Counsel

Re: Carbon Free Power Project Power Sales Contract

Ladies and Gentlemen,

Pursuant to Section 301(d) of the above-referenced Power Sales Contract (the "*Power Sales Contract*"), the entity named below (the "*Participant*") hereby gives notice of its election to reduce its Entitlement Share to [_____] kW (the "*Reduced Entitlement Share*").

The Participant hereby acknowledges and agrees that:

1. This Notice of Reduction shall be effective at and as of the end of the last day of the current phase of the Licensing Period, which is expected to occur on or about February 28, 2023.
2. The Participant shall remain responsible for the payment of an amount equal to its Development Cost Share (as in effect from time to time) of all net Development Costs incurred, including its Development Cost Share of the amounts necessary to repay all Bonds issued and outstanding under the Financing Documents.
3. From and after the effective date of this Notice of Reduction, the Participant's Reduced Entitlement Share shall apply during Phase 1B of the Licensing Period under the Power Sales Contract, including the calculation of the Participant's Development Cost Share.

Capitalized terms used and not otherwise defined herein have the meanings assigned to them in the Power Sales Contract.

Dated: _____, 2023

Washington City

By _____
Authorized Representative

EXHIBIT W

FORM OF WITHDRAWAL RESOLUTION

RESOLUTION NO. _____

A RESOLUTION APPROVING THE PARTICIPANT’S WITHDRAWAL FROM
THE CARBON FREE POWER PROJECT; AND RELATED MATTERS.

***** ***** *****

WHEREAS, the entity named below (the “*Participant*”) is a member of Utah Associated Municipal Power Systems (“*UAMPS*”) pursuant to the provisions of the Utah Associated Municipal Power Systems Amended and Restated Agreement for Joint and Cooperative Action, as amended (the “*Joint Action Agreement*”);

WHEREAS, the Participant has previously approved, executed and delivered the Carbon Free Power Sales Contract dated as of April 1, 2018 (the “*Power Sales Contract*”) with UAMPS, with a current Entitlement Share and a current Development Cost Share shown on Schedule I attached hereto (initially capitalized terms used and not defined herein have the meanings assigned to them in the Power Sales Contract);

WHEREAS, at the direction of the Project Management Committee, UAMPS has delivered a notice dated January 4, 2023 (the “*UAMPS Notice*”) to the Participant of (a) the delivery of the Class 3 Project Cost Estimate for the Project and the results of the related run of the economic competitiveness test, (b) the proposed adoption of an amendment to the Budget and Plan of Finance for the Project (the “*Amended BPF*”), and (c) the Participant’s right to deliver a Notice of Withdrawal or a Notice of Reduction or to continue with its current Entitlement Share in the Project during the term of the amended BPF, with any such withdrawal, reduction or continuation to be effective immediately before the Amended BPF takes effect;

WHEREAS, in addition to the UAMPS Notice, UAMPS has provided additional information to the Participant with respect to the Amended BPF and related matters, including the estimated amount that the Participant would be required to pay to UAMPS in respect of its Development Cost Share (as in effect from time to time) of the net Development Costs of the Project;

WHEREAS, the Governing Body has determined that the Participant should withdraw from the Project, and such withdrawal shall be effective immediately before the effective date of the Amended BPF;

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the Participant, as follows:

Section 1. Withdrawal from the Project. The Participant hereby elects to withdraw from the Project and the Participant's Representative is authorized and directed to execute and deliver to UAMPS the Notice of Withdrawal in the form attached hereto. The Participant acknowledges and agrees that it shall (i) remain responsible for the payment of its Development Cost Share (as shown on Schedule I attached hereto) of the net Development Costs of the Project that are incurred up to (but not including) the effective date of the Amended BPF, and (ii) within twelve months of the effective date of its withdrawal, pay to UAMPS its Development Cost Share (as in effect from time to time) of the net Development Costs of the Project, together with any interest expense on such amounts and any other charges incurred by UAMPS under the Financing Documents.

Section 2. Miscellaneous; Effective Date. (a) In case any provision in this resolution shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(b) This resolution shall take effect immediately upon its adoption and approval.

ADOPTED AND APPROVED this ____ day of _____, 2023.

WASHINGTON CITY

By _____
Mayor

ATTEST:

City Recorder

[SEAL]

Dated November 1, 2021

SCHEDULE I
SCHEDULE OF PARTICIPANTS, ENTITLEMENT SHARES
AND DEVELOPMENT COST SHARES

PARTICIPANT	ENTITLEMENT SHARE (KW)	DEVELOPMENT COST SHARE (%)
Beaver	2,155	1.8600
Blanding	2,500	2.1578
Brigham City	15,250	13.1626
Enterprise	392	0.3383
Ephraim	8,000	6.9049
Fairview	900	0.7768
Fallon	2,000	1.7262
Fillmore	3,019	2.6058
Holden	500	0.4316
Hurricane	20,000	17.2624
Hyrum	10,000	8.6312
Idaho Falls	5,000	4.3156
Kanosh	300	0.2589
Los Alamos	2,155	1.8600
Monroe	1,200	1.0357
Morgan	1,398	1.2066
Mt. Pleasant	3,000	2.5894
Oak City	500	0.4316
Paragonah	200	0.1726
Parowan	3,000	2.5894
Payson	5,000	4.3156
Santa Clara	5,000	4.3156
SESD	3,000	2.5894
Spring City	400	0.3452
Washington	17,990	15.5275
Weber Basin	2,000	1.7262
Wells REC	<u>1,000</u>	<u>0.8631</u>
	<u>115,859</u>	<u>100.0000</u>

EXHIBIT A

FORM OF NOTICE OF WITHDRAWAL

Utah Associated Municipal Power Systems
155 North 400 West, Suite 480
Salt Lake City, Utah 84103
Attention: Chief Executive Officer
General Counsel

Re: Carbon Free Power Project Power Sales Contract

Ladies and Gentlemen,

Pursuant to Section 204 of the above-referenced Power Sales Contract (the "*Power Sales Contract*"), the entity named below (the "*Participant*") hereby gives notice of its election to withdraw from the Project.

The Participant hereby acknowledges and agrees that:

1. This Notice of Withdrawal shall be effective at and as of the end of the last day of the current phase of the Licensing Period, which is expected to occur on or about February 28, 2023.
2. By delivering this Notice of Withdrawal, the Participant waives its right to receive any reimbursement for Development Costs previously paid by it, except as otherwise provided in the Power Sales Contract.
3. The Participant shall remain responsible for the payment of an amount equal to its Development Cost Share (as in effect from time to time) of all Development Costs incurred, including its Development Cost Share of the amounts necessary to repay all Bonds issued and outstanding under the Financing Documents, in each case up to the effective date of the Participant's withdrawal from the Project.
4. The Participant that shall, within twelve months of the effective date of its withdrawal, repay the amounts described in paragraph 3 above together with any interest expense on such amounts and any other charges incurred by UAMPS under the Financing Documents.
5. From and after the effective date of its withdrawal (a) the Participant's Entitlement Share shall be terminated, (b) the Participant's Representative shall have no right to participate in or vote at meetings of the Project Management Committee or meetings of the Board with respect to the Project, and (iii) the Power Sales Contract will remain in effect only with respect to the Participant's repayment obligations described in paragraph 4 above.

6. The Participant shall have no responsibility for the payment of Development Costs incurred or Bonds issued after the effective date of its withdrawal.

Capitalized terms used and not otherwise defined herein have the meanings assigned to them in the Power Sales Contract.

Dated: _____, 2023

Washington City

By _____
Authorized Officer

EXHIBIT X

PARTICIPANT'S MAXIMUM COST EXPOSURE/EXIT PAYMENT

WASHINGTON CITY

Participant's maximum cost exposure under the Amended BFP: \$13,819,475.

The amount shown above is the Participant's Development Cost Share multiplied by the maximum amount of net Development Costs that Project Company may incur under the Amended BFP through the end of Phase 1B of the Licensing Period (*i.e.*, through January 31, 2024).

Estimated exit payment if Participant delivers a Notice of Withdrawal: \$4,395,478.

The amount shown above is the Participant's Development Cost Share multiplied by the estimated amount of net Development Costs that Project Company incurs under the Budget and Plan of Finance through the end of Phase 1A of the Licensing Period (*i.e.*, through February 28, 2023). The actual exit payment due from the Participant will be calculated based on the actual amount of Development Costs that Project Company incurs under the Budget and Plan of Finance through the end of Phase 1A of the Licensing Period, net of cost sharing payments received from DOE.

TALKING POINTS

Class 3 Project Cost Estimate

Economic Competitiveness Test

Revised Budget and Plan of Finance

Development Cost Reimbursement Agreement

A key milestone and decision point in the development of the Carbon Free Power Project has been reached with the receipt and acceptance of the Class 3 Project Cost Estimate (PCE), which further refines the total cost of the project.

Completion of the Class 3 PCE has triggered key activities.

- A run of the Economic Competitiveness Test (ECT), which resulted in a Levelized Cost of Energy (LCOE) has exceeded the target price of \$58/MWH 2020\$. This means UAMPS can withdraw from the project and be reimbursed for most of its out-of-pocket expenses.
- The new cost estimate also requires a revised Budget & Plan of Finance (BPF), effective March 1, 2023. The revised BPF provides each of the individual Participants with the option to withdraw from the project or to reduce its entitlement share in the project.
- An amended Development Cost Reimbursement Agreement (DCRA) has been negotiated to reduce risk and allow project termination in the event of a future ECT failure or if subscription targets are not achieved by the end of 2023.

The following information is provided to help members make decisions going forward.

Why did costs increase?

- The costs were primarily influenced by external impacts, not by the project's development.
- Price increases have occurred due to inflationary pressures on the energy supply chain that have not been seen for more than 40 years. In the past two years:
 - Producer Price Index for Fabricated Steel Plate increased 54%
 - Producer Price Index for Carbon Steel Piping increased 106%
 - Producer Price Index for Electrical Equipment increased 25%
 - Producer Price Index for Fabricated Structural Steel increased 70%
 - Producer Price Index for Copper Wire and Cable increased 32%
 - Producer Price Index for All Commodities increased 45%
- In addition, the referenced interest rate used for the project's cost modeling has increased approximately 200 basis points since July 2020.

The costs of other new non-carbon, non-intermittent generation have also increased commensurately. Does the CFPP remain cost-competitive despite the cost increases?

- CFPP remains cost-competitive and needed as a carbon-free, dispatchable resource, part of a diversified resource portfolio. The higher costs reflect the changing financial landscape for the development of energy projects nationwide. The CFPP has matured to face, understand and address these challenges that other technologies and generation options must also still face.

How does the Development Cost Reimbursement Agreement (DCRA) help de-risk the project?

- The amended DCRA establishes a new ECT target of \$89/MWH (2022\$). An ECT cost higher than that will provide for 100% reimbursement on CFPP termination at the Class 2 PCE or COLA submittal in January 2024.
- The DCRA also obligates NuScale to 100% reimbursement on CFPP termination for failure to achieve the subscription goal of 80% at Class 2 PCE. UAMPS will have the option to terminate the project and be reimbursed if subscription does not reach 370 MW (of 462 MW available) by the end of 2023.

Has the project schedule changed?

The project remains on schedule:

- Submittal of the Combined Operating License Application to the Nuclear Regulatory Commission in January 2024
- Construction to begin in 2026
- First module in service in December 2029
- All modules in service by November 2030

What are the Class 3 projected costs of the project?

- Total cost of acquisition and construction, including financing: \$9.3 billion
- Total value of DOE Cost Share Award and projected IRA benefits: \$4.2 billion
- Net cost of acquisition and construction: \$5.1 billion

What is the off-ramp schedule?

- January 4, 2023, off-ramp period begins
- February 17, 2023, off-ramp period ends

Summary

Given that UAMPS members need large amounts of clean, reliable and affordable energy early in the 2030s, the CFPP remains, by far, the most attractive option.