



CFPP November 2019 Update

ATTACHMENT A

EPC Development Agreement

Key Terms and Conditions:

- Price Target Established at \$55/MWh (2018\$)
- Economic Competitive Test run until Class 1 cost estimate for the CFPP has been delivered
 - If ECT Failure (cost estimate > \$55/MWh) → UAMPS can seek reimbursement (reimbursement % decreases as Project is de-risked)

Contemplated that UAMPS and NuScale will enter into Reimbursement Agreement by end of March 2020 to cover ECT Failure/Reimbursement.

Short Term EPC Development Agreement

Term: December 2019—March 2020

Scope:

- Fluor conducts review of “value engineering” assumptions made by NuScale to reach \$55/MWh Price Target
- Fluor shares its assessment with UAMPS and namely its Owner’s Engineer (MPR)
- MPR continues its diligence of the Project Cost Estimate for the CFPP in an “open-book fashion”
- Rerun of ECT no later than February 2020
- Parties discuss Key Risk Items for EPC Term Sheet
- Parties identify Key Risk Items to achieve Price Target & plan for de-risking those items provided Parties move forward

Development Facts & Considerations

UAMPS needed to amend the CFPP Phase 1 Budget from \$6M to greater amount.

JUMP Agreement is delayed. MOU contemplated JUMP Agreement execution by end of October 2019. DOE awaiting authorization (conflicting Senate and House approps language). DOE has released a small amount of money to INL to proceed with high level planning work.

Subscription is sitting at 30% of total plant capacity. UAMPS is working toward 100%. Anticipated to be at 50% subscription by July 2020 (NW and SW interest).

UAMPS is paying 25% of costs. DOE is paying 50% of eligible costs and NuScale is paying 25% of modified eligible costs. NuScale 25% reimbursement is capped at \$8.3M.

Strategic Considerations

DOE is committed through this administration. Under Secretary Menzes moves to #2 under Secretary Brouillette will further DOE staff support. UAMPS development of the CFPP is predicated on continued financial support from the DOE via the cost share and JUMP.

- Congressional Bi-Partisan support still strong—necessary given appropriations reliance.

UAMPS is NuScale's strongest potential customer.

UAMPS is not constrained by a Commercial Operation Date.

Takeaways from Development Facts & Strategic Considerations

Presently, NuScale and UAMPS have not entered into a reimbursement agreement to cover an ECT Failure post March 2020. If UAMPS terminates the CFPP (super-majority vote of Participants)—UAMPS can call upon \$1.5 M reimbursement from NuScale.

DOE is committed to supporting the CFPP, albeit their support has not yet been manifested via JUMP Agreements.

Scope of Work for Amended Budget

Scope of Work for Amended Budget for Phase 1 up to \$9M (from \$6M).

- This additional \$3M (\$976K UAMPS costs net of DOE Cost Share Agreement) would be used to continue contractual negotiations, pursue additional subscription, and minimum Site work for COLA to preserve the DOE cost share arrangement.
- PMC will monitor the spend level along with progress on contractual development (successor agreement to Short Term EPC DA, Reimbursement Agreement, and Key Risk Items for EPC Term Sheet)
 - Lots of activity in Q1 2020 under the Short Term EPC DA
- Allows JUMP Agreement to be developed.

LAC Cost Commitment

CFPP Amended Budget & Plan of Finance February 21, 2018				
				Approx.
		100% Cost	Net of Cost Share	LAC Share 8 MW
Study Phase Sitting Agreement		\$145,540		\$30,000
Licensing Period 1st Phase (Max.) 100% Reimbursable		\$6,000,000	\$1,500,000	\$80,000
Licensing Period 1st Phase Amended BPF (non-reimbursable)		\$3,000,000	\$976,000	\$52,000
Licensing Period 1st Phase (Max.)		\$83,499,764	\$65,843,086	?
Licensing Period 2nd Phase (Prelim.)		\$496,303,067	\$496,303,067	?

Comparing Cost of Resources

19 Yrs 00-18 Actual Resource Cost Vs. CFPP Targeted Price



Generation Resources Plan to Meet Load

