COUNCIL MEETING CONT. FEBRUARY 1, 2018

PAGE 27

MINUTES OF A SPECIAL CITY COUNCIL MEETING HELD FEBRUARY 1, 2018, AT THE HYRUM CITY COUNCIL CHAMBERS, 60 WEST MAIN, HYRUM, UTAH.

CONVENED: 6:30 P.M.

CONDUCTING: Mayor Stephanie Miller

ROLL CALL: Councilmembers Steve Adams, Kathy Bingham, Paul C. James, and Craig Rasmussen.

EXCUSED: Councilmember Jared L. Clawson

CALL TO ORDER: There being four members present and four members representing a quorum, Mayor Miller called the meeting to order.

OTHERS PRESENT: Power Superintendent Matt Draper, Lineman Quentin Voth, Doug Hunter with UAMPS, and Michael Miller with NuScale Power. City Recorder Stephanie Fricke recorded the minutes.

WELCOME: Mayor Miller welcomed everyone in attendance and invited audience participation.

AGENDA ADOPTION: A copy of the notice and agenda for this meeting was emailed to The Herald Journal, posted on the Utah Public Notice Website and Hyrum City's Website, provided to each member of the governing body, and posted at the City Offices more than fortyeight hours before meeting time.

AGENDA

- WORKSHOP:
 A. Utah Associated Municipal Power Systems (UAMPS) -To discuss a carbon free power project.
- 5. ADJOURNMENT

WORKSHOP :

UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS (UAMPS) - TO DISCUSS A CARBON FREE POWER PROJECT.

Doug Hunter with Utah Associated Municipal Power Systems (UAMPS) said UAMPS formally launched the CFPP in 2015. In August 2015, DOE awarded a second, \$16.7 million award to NuScale for the preparation of a combined construction and operating license application (COLA) for the UAMPS CFPP. As of December 2015, 32 of UAMPS' 45 members have elected to participate in the CFPP.

COUNCIL MEETING CONT.

PAGE 28

Initial licensing and investigative activities are underway with the expectation that the COLA preparation will be completed in 2018. The most important activity is the identification of a preferred site for the project.

In February 2016, the U.S. Department of Energy issued a Site Use Permit to UAMPS CFPP granting it access to the INL site for the purposes of identifying potential locations for the NuScale Power Plant and, if suitable, the long-term use of a preferred site for such purposes. UAMPS CFPP is projecting the first NuScale Power Module to achieve commercial operation in 2024, with the full 12module plant doing so in 2025.

As part of UAMPS SmartEnergy Initiative, Utah Associated Municipal Power Systems continually and carefully monitors and explores all resource options with an emphasis on conservation and efficiency to address the long-term energy needs of members. Program WIN is an example of our efforts to evaluate all options, particularly as we are faced with carbon-constrained baseload generation. In accordance with state and national efforts to clean up our air and reduce carbon emissions, it is important that we investigate clean, safe, carbon-free SMR technology as a potential baseload resource.

The Carbon Free Power Project submitted a combined construction and operating license application (COLA) to the NRC in 2017. As the only U.S.-based company established solely for the commercialization of its SMR, NuScale and its team of over 600 employees and contractors are working daily on the development of its unique and proprietary break-through technology to bring to market its innovative, simple, safe, economic and scalable small modular reactor.

Michael Miller with NuScale Power said NuScale Power Module, at 50 MWe (gross) generating capacity, enables utility companies to correctly size their power plants for current needs, then add capacity as necessary. Since the NuScale Power Module is far less complex than other designs, fabrication and installation on-site are simplified. Off-site fabrication and assembly reduces cost, and components are delivered to the site in ready to install form. As a result, construction occurs in a shorter, more predictable period of time. The workforce required to construct NuScale power plants are measured in the hundreds, not the thousands. Our short 3-year construction schedule provides greater assurance that the plant will achieve operation before unforeseen external events impact the schedule. The NuScale Power Module has no reactor coolant pumps, no external steam generator vessels, and no large-bore reactor coolant piping. This translates into lower cost to fabricate, install, operate, maintain and decommission, thereby reducing the life-cycle cost to produce energy while lowering operational risk. In fact, many elements are less expensive, and more efficient, with the NuScale technology. You can expect lower: Total capital costs; Financing needs; Manufacturing costs; Transportation costs; Construction costs; Operating costs; and Maintenance costs

A NuScale power plant requires a smaller footprint than a traditional nuclear power plant. NuScale plants are also adaptable to demand. Additional modules can be added, providing scalability as electricity demand grows. With this approach, financial risks and costs are lower, and schedules are easier to meet.

Doug Hunter with UAMPS said even with increased efficiency and more distributed generation, UAMPS forecasts that additional baseload supply will be required to complement intermittent renewable energy and to ensure the stability of the grid. Large coal plants that have provided stable baseload supply for many decades are nearing the end of their life cycles, and the regulatory climate has turned strongly against fossil fuels.

Flexible, clean, carbon-free baseload supply thus becomes a critical part of the resource mix of the future, replacing coalfired generating assets as they retire. After carefully forecasting energy needs, and analyzing all forms of clean baseload supply, UAMPS is investigating the possibility of building a Small Modular Nuclear Reactor plant using technology provided by NuScale Power.

Leaders of the U.S. Department of Energy (DOE) have said many times that it will be impossible for the United States and the world to decarbonize without additional supply from nuclear reactors. Nuclear is also important for national security, to maintain U.S. scientific superiority, to increase jobs and economic opportunities in the nuclear supply chain, and to maintain a stable electrical supply to power industry, commerce and the coming electrification of transportation. Many thousands of megawatts in coal plants will be lost in the next 15 years and must be replaced. UAMPS is in the forefront of the nuclear frontier with its investigation of constructing a small modular reactor (SMR) plant. A preferred site has been located in the DOE's Idaho National Laboratory reservation near Idaho Falls. DOE has become an

COUNCIL MEETING CONT.

FEBRUARY 1, 2018

PAGE 30

important partner in the project, providing support and costsharing. UAMPS, NuScale and Energy Northwest have entered into a Teaming Agreement that outlines the parties' intent to investigate the viability of the plant.

NuScale's SMR design is a 50 megawatt, pressurized water reactor and high pressure steel containment, referred to as the NuScale Power Module (NPM), to distinguish it from designs that do not have an integral containment. Twelve NPMs, each with its own dedicated steam turbine generator, could be combined in a single 600 MW power plant that is safer than existing designs, cost competitive, reliable and affordable. Importantly, the innovation in the NPM design is in using and re-packaging proven pressurized light water reactor materials, fuels and safety features in a simpler, safer, more elegant way.

Hyrum City will need to make a decision to participate, or not, with the SMR project, as technological issues, costs and financing are better defined, and as demand is quantified through power sales contracts. The SMR project could be the first of its kind in the world.

ADJOURNMENT:

ACTION

There being no further business before the City Council, the Council Meeting adjourned at 6:30 p.m.

> Stephanie Miller Mayor

ATTEST:

Stephanie Fricke City Recorder