



Why We're Here Today

- Information on future resolution(s):
 - Guaranteed Maximum Price (GMP) Amendment
 No. 4 for second unit rehabilitation \$75.9M
 - Not-to-exceed contract amount increases to \$204.5M

NO ACTION REQUESTED TODAY



Background

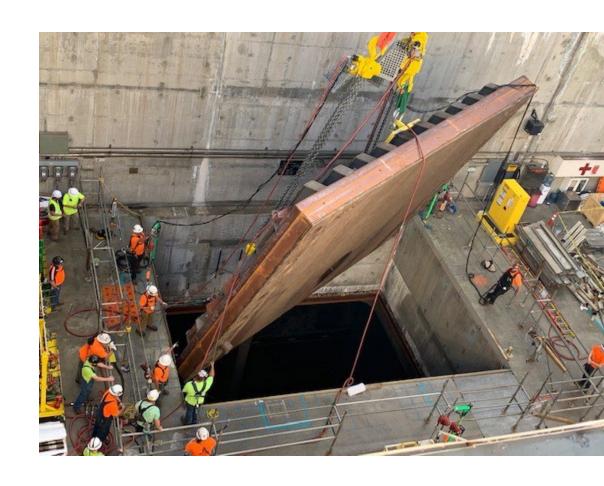


- July 2020 Executed Design Build Agreement (DBA), began Preconstruction
- May 2021 Executed Extended Correction Period (ECP) and long lead GMP
- July 2021 Executed first unit GMP
- January 2023 Began first unit rehab outage
- April 2023 Executed long lead GMP for second unit



Nature of the Work

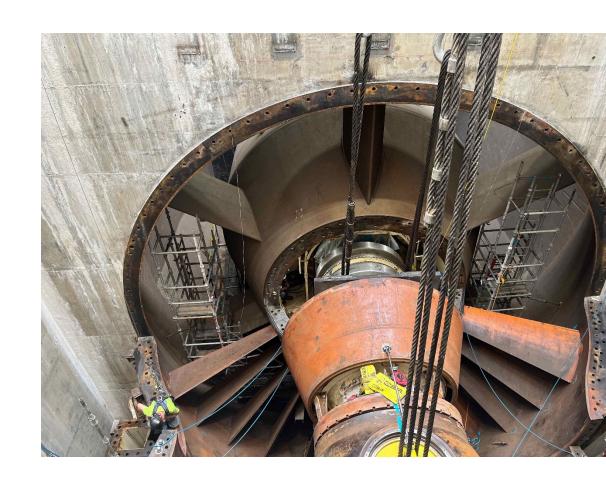
- First in a generation
- Limited industry experience





Phases of the Work

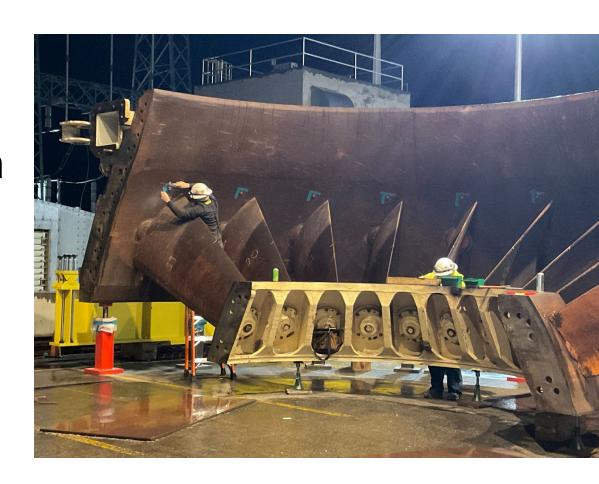
- Design
- Manufacturing
- Disassembly
- Refurbishment
- Reassembly
- Commissioning





Unit U5 Progress

- Disassembly completed
- Refurbishment in process
- Reassembly begins in Q3
- Commissioning





Lessons Learned



- Tooling
- Engineering
- Labor
- Shop availability
- Contingency planning



Impacts to Second Unit

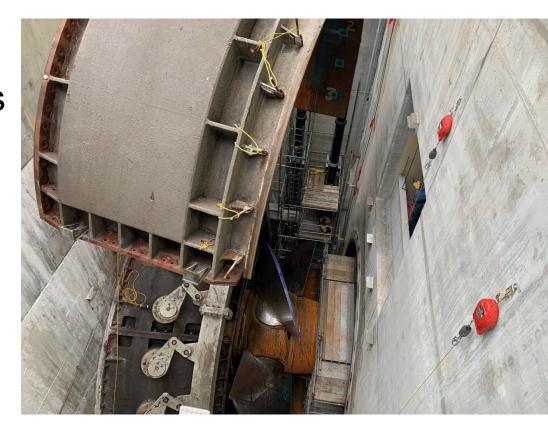


- GMP of \$75.9M
 - Higher allowances and contingencies
 - Similar cost to first unit
- Increased Work Scope
 - New components
 - Refurbishment like first unit
- 17.5 Month Outage Duration
 - Duration originally estimated for first unit
 - Less float than first unit



Continuous Learning

- Refurbishment, reassembly, and commissioning phases remain on first unit
- Testing of new generator stator
- Operation of air-filled hub







Program Costs

- U1-U8 (Common) \$15.6M
- Extended Correction Period (ECP),
 Preconstruction, Etc. \$21.5M
- Unit U5 (first unit) \$112.0M
- Unit U7 (second unit) \$105.7M
- Subsequent units TBD



Finance

- Higher cost uncertainty and forecasts
- Increases long term cost of production
- Positive project Net Present Value (NPV)
- Strong PUD financial position
- Value of energy and capacity has increased



Next steps

- Authorization to Execute GMP No. 4 in Q3 2024
 - Second unit rehabilitation \$75.9M
 - 17.5 month duration
 - Outage start after first unit commissioning
 - Not-to-exceed contract amount increases to \$204.5M
 - Budget revision to Unit U7 capital project



