**QUESTIONS RE: PROJECT APPLICATION**Meeting Date: September 26, 2024

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## ENERGY NORTHWEST SMALL MODULAR REACTOR PROGRESSIVE DESIGN-BUILD PROJECT

- 1. In Attachment A, Energy Northwest Org Chart, please show the relationship of the PDB team. See the attached organizational chart.
- 2. In Attachment B, Project Experience, although Energy Northwest has some PDB experience, the project sizes are extremely small compared to the proposed Small Nuclear Reactor Project. Please expand on Energy Northwest's level of participation in the proposed project given limited experience with large projects.

Energy Northwest has years of experience with procurement and project management of large projects for our energy assets. For this project, Cassandra Otto is overseeing the procurement process with the assistance of Robynne Thaxton with Progressive Design-Build Consulting and Becky Blankenship with Hill International. Jessica Hansen will be the project manager for the project for day-to-day issues, reporting to Maria Thomas, the Energy Northwest Project Development and Delivery Manager. She will participate in the Project Leadership Team, which will have oversight over the entire project and will be responsible for managing the overall budget, schedule, and coordination of the design effort. The Project Leadership Team will have members from the Design-Builder and Energy Northwest. Jessica and Maria will have the assistance of Geoff Neumayr from PDBC, Becky Blankenship with Hill International, and the AtkinsRealis Team. Energy Northwest is in the final negotiations with AtkinsRealis as the Owner's Engineer. Denise Brandon is Energy Northwest's Engineering Manager, who will be the primary contact for the AtkinsRealis team and the Design-Build Team with respect to design issues. Denise will also be the primary contact for X-energy, the provider of the proprietary design of the nuclear island. Lisa Williams is overseeing the permitting and licensing process with the assistance of the AtkinsRealis Team. The Project Leadership Team will resolve issues that arise from the project Work Groups. When the Project Leadership Team cannot resolve the issues, they will be elevated to the Executive Leadership Team, which will include Kenneth Landon, the General Manager of Nuclear Development, as well as members of the Design-Build Team.

The Energy Northwest Team understands the need to have owner involvement in the project and will be supplementing its team with additional personnel as the project ramps up. Energy Northwest personnel will participate in the project Work Groups, which will be organized collaboratively with the Design-Build Team. However, with a project of this size and consistent with RCW 39.10.280\*, Energy Northwest will be utilizing consultants to provide the experience and expertise to manage this large and complex project. AtkinsRealis is a global engineering firm with over 36,000 employees and one of the most complete nuclear services organizations in the world. AtkinsRealis is currently involved in two active nuclear new build projects and maintains expertise in High-Temperature Gas Reactor design and operations. Allen Torres, who will be the Project Director for AtkinsRealis, has over 47 years of experience in the commercial nuclear power industry. He has worked on projects such as the Darlington New Nuclear Project. a multi-billion new nuclear reactor under an Integrated Project Delivery Model, and the Darlington Nuclear Generating Station, a \$9.3 billion Engineer, Procure, and Construct project. In addition, the Progressive Design-Build Consulting Team has substantial mega-project experience. Robynne Thaxton has worked on 17 projects in excess of \$100 million and three projects in excess of \$1 billion. Geoff Neumayr has worked on 13 projects in excess of \$100

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million, with one in excess of \$1 billion. Becky Blankenship has worked on 11 projects in excess of \$100 million, with four in excess of \$1 billion. The rest of the Hill support team was selected for this project specifically for their energy experience on mega projects in excess of \$1 billion. Modus Strategic Solutions has been Energy Northwest's consultant for nuclear energy for a long time. Bill Riggins with Modus has more than 35 years of experience in the energy and utility industry and has served as general counsel for multiple energy companies. Eric Gould and Carrie Okizaki co-founded Modus and will be working closely with the team. Eric has more than 25 years of experience in the construction industry and substantial experience across the energy sector, including the \$12.9 billion Darlington Nuclear Refurbishment Project and more than \$20 billion in new nuclear projects. Carrie is an attorney whose experience includes contracts and planning for multiple billion-dollar nuclear projects. Energy Northwest has carefully selected this team and has participated in multi-day workshops to establish how the team will work together to manage the project.

\*RCW 39.10.280(c) requires that a public body have "the necessary experience **or qualified team** to carry out the alternative contracting procedure". RCW 39.10.280(d) states, "For design-build projects, the public body personnel **or consultants** are knowledgeable in the design-build process and are able to oversee and administer the contract." The RCW anticipates that for project approval, public bodies may hire outside consultants to provide the expertise required by the statute.

- 3. In Attachment C, Construction Experience, the projects shown are all DBB and are of modest size. Please expand on Energy Northwest's level of participation in the proposed project given limited experience with alternative delivery.
  - See the response above. Although Energy Northwest has limited experience with alternative delivery, it has hired Paul Schut, who has experience with progressive design-build in his previous position for Benton County. Energy Northwest has also hired Progressive Design-Build Consulting and Hill International to assist with the PDB process. Robynne Thaxton has worked on over 40 PDB projects with a total value in excess of \$9 billion. Geoff Neumayr has worked on more than 18 PDB projects with a value in excess of \$9 billion, and Becky Blankenship has worked on more than 30 PDB projects with a value in excess of \$2 billion. Robynne is the chair of the DBIA National Progressive Design-Build Committee, and Geoff, Becky, and Robynne are all approved instructors for the DBIA Progressive Design-Build Best Practices Class. It would be difficult to find outside consultants with more progressive design-build experience than this team. In addition, AtkinsRealis has experience in Integrated Project Delivery, which is very similar to PDB, and Modus Strategy Solutions has experience in multiple alternative delivery methods.
- 4. Please put the budget in a format where it does fit the categories for us to review and analyze. The budget provided in the application was Energy Northwest's best effort to fit within the categories requested by the application. The budget that Energy Northwest carries does not single out the cost for the Design-Build team. For example, the design and fuel costs for the Nuclear Island are included in the project costs; however, those costs would not be paid to the Design-Builder, as Energy Northwest will account for those costs separately. The contract administration costs include costs for the extensive permitting and licensing process required for the project. In addition, there are costs included that will be paid to X-energy, the provider of the proprietary modular reactor system. After several days of workshops to determine work

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allocation between the parties, Energy Northwest estimates that the approximate amount of the Design-Build contract, including both the design and construction of the facility, will be \$633M.

5. Regarding the outreach effort – what are the participation goals? We always hear the same story in Eastern Washington and without goals we end up having zero participation. Energy Northwest has yet to develop an exact goal for WMBE businesses' participation in the project. Due to the specialized nature of building a nuclear power plant and all the regulatory requirements associated with it, it is hard to pinpoint a realistic participation goal at this point. As required by RCW, Energy Northwest will evaluate the proposers and finalists for the work based on their past performance in utilizing small, veteran, women, and minority businesses and their inclusion plans. The successful design-build team will have to demonstrate that they will provide substantial support to diverse businesses and assist with increasing the number of certified businesses in the Tri-Cities area. Energy Northwest is committed to diversity in its workforce and will work closely with the selected design-build team to maximize the utilization of WMBE businesses.

Energy Northwest currently shows its commitment to diversity in the workforce by actively participating in groups such as Women in Nuclear and the Society of Women Engineers. We have also received numerous rewards for being a military-friendly employer.

- 6. Regarding outreach how will the Buy American and other requirements of Federal Funding impact outreach and potentially WMBE participation? Energy Northwest will be required to comply with all federal funding requirements, which typically include requirements to include diverse businesses. The Buy American Act and federal funding requirements add complexity to WMBE participation, regardless of the project delivery method. Still, our outreach strategy will focus on addressing these challenges head-on. We will provide targeted outreach through educational workshops and consulting services to help WMBE firms understand compliance requirements and navigate the complexities of federal regulations. PDB will give us the greatest opportunity to engage with WMBE firms early in the process, offering support on sourcing compliant materials and helping them develop strategies for managing the administrative and financial burdens of compliance. By incorporating these outreach efforts, we can help to ensure WMBE firms are well-prepared to participate, despite the regulatory hurdles, and are better positioned to succeed in meeting federal guidelines. This approach will foster greater inclusion and increase the likelihood of WMBE participation in the project.
- 7. How will you separate the pieces of the project based upon funding? If you only receive 50% funding for instance, how will you decide how much of a reactor to build?

  The reactors are modular. The current design anticipates four modular reactors with supporting generation facilities. In the unlikely event that Energy Northwest does not receive sufficient funding to design and construct all four reactors, Energy Northwest will decide on the feasibility of a project with less than four reactors. Energy Northwest will be working with Modus Strategy Solutions, one of the most experienced and sophisticated consultants in the nuclear energy industry, to make sound decisions regarding the viability of the project based on the capacity of the project to produce energy versus the cost to complete.

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Energy Northwest anticipates receiving 80% of the project funds through the DOE loan program office financing. Earlier pre-DOE LPO funding will support site-specific engineering, site characterization work, and regulatory-required report development (environmental report and construction permit application). Nuclear construction on the reactors would not begin without confirmation of the DOE loan approval and receipt of funds.





