

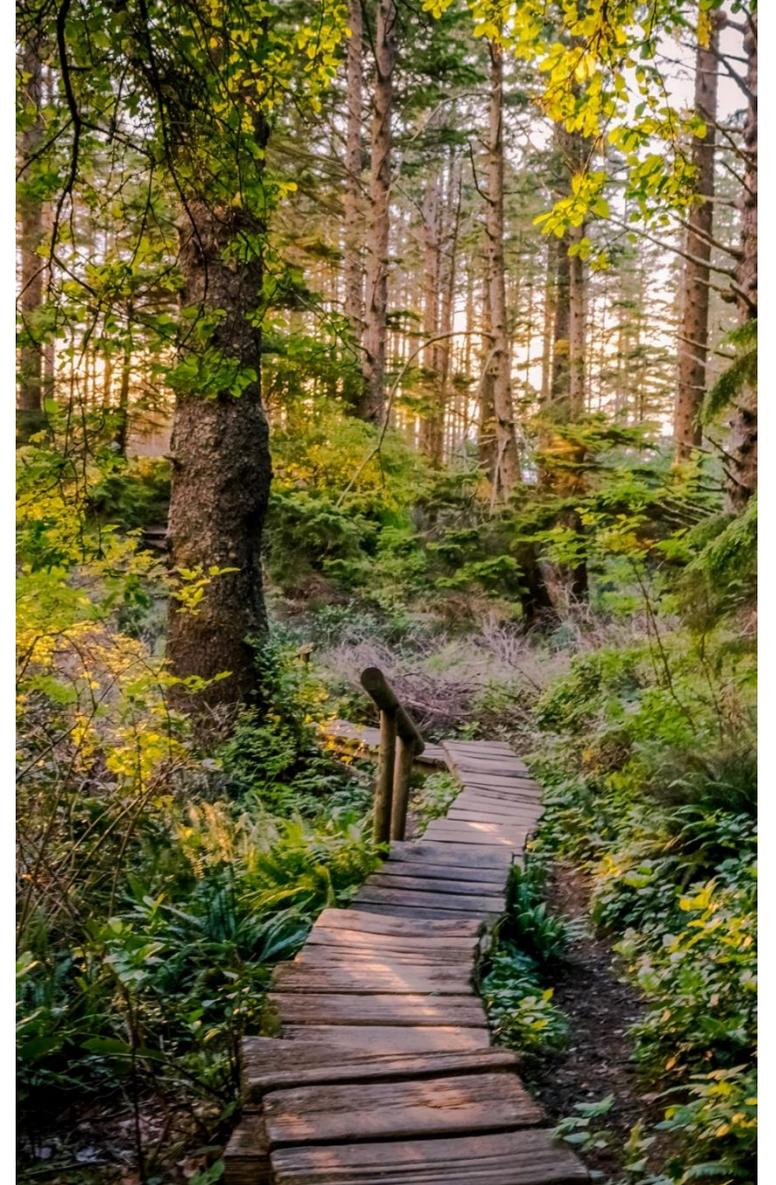


MOSSADAMS



Public Utility District No. 1 of Benton County

2021 Audit Results



YOUR DEDICATED TEAM



KEITH SIMOVIC

Engagement Reviewer
And Partner



SCOTT SIMPSON

Concurring Reviewer
and Partner



JARED BROWNSON

Audit Manager



Julie Desimone

Partner and Technical
Resource



Nature of Services Provided

1

Independent Auditors' Report on the financial statements of Public Utility District No. 1 of Benton County

2

Assistance with, and technical review of the financial statements and CAFR for compliance with GAAP and GFOA award for excellence in financial reporting

3

Report of Independent Auditors' on Internal Control Over Financial Reporting and on Compliance in Accordance with *Government Auditing Standards*

4

Communication to Those Charged with Governance



Audit Process



Internal Controls

Walkthroughs surrounding all cycles
Includes IT
Revenue control testing



Analytical Procedures

- Revenue and expenses
- Trends, comparisons, and expectations



Substantive Procedures

- Confirm account balances
- Vouch to supporting documentation
- Representations from attorneys and management
- Examine objective evidence





Audit Opinion/ Reports

Financial
Statements

Unmodified
(clean) opinion
on financial
statement

Government
Auditing
Standards
Report

No findings

Communication
with Those
Charged with
Governance

No material
weaknesses



Required Communications

- Auditor's responsibility under auditing standards
- **Significant accounting policies – No changes**
- Management judgments & accounting estimates
- **Audit adjustments – No material adjustments**
- Management's consultation with other accountants
- No disagreements with management
- No difficulties in performing the audit
- **Audit observations and recommendations – No material weaknesses noted.**





Audit Issues – NEW ACCOUNTING PRONOUNCEMENTS

New Standards

Effective Date

GASB 87 – Leases

Period beginning after 6/15/21



Acknowledgements

Thanks to District staff for the excellent facilitation of the audit process:

- All personnel across all departments were courteous, responsive and fulfilled all of our requests in a timely manner.
- ‘Tone at the Top’ and attitude from management was one of helpfulness, candor, and openness in response to audit requests and discussion points.



THANK
YOU



Contact Us



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[Xe-100 \(/Reactors/Xe-100\)](#)
[Xe-Mobile \(/Reactors/Xe-Mobile\)](#)
[Triso-X \(/Fuel/Triso-X\)](#)
[Why? \(/Why\)](#)
[Technology \(/Technology\)](#)
[Space \(/Why/Nuclear-And-Space\)](#)
[Careers \(/Careers\)](#)

April 6, 2022 (/media/news-releases/triso-x-submits-first-ever-high-assay-low-enriched-uranium-fuel-fabrication-facility-license-application-to-the-nuclear-regulatory-commission)

TRISO-X Submits First Ever High-Assay Low-Enriched Uranium Fuel Fabrication Facility License Application to the Nuclear Regulatory Commission (/media/news-releases/triso-x-submits-first-ever-high-assay-low-enriched-uranium-fuel-fabrication-facility-license-application-to-the-nuclear-regulatory-commission)

The TRISO-X Fuel Fabrication Facility (TF3) will be the nation's first 10 CFR 70 Category II fuel facility dedicated exclusively to fueling HALEU based reactors



Artist rendering of the proposed TRISO-X World Headquarters and Commercial Fuel Facility at the Horizon Center Industrial Park, Oak Ridge, TN.

TRISO-X Submits First Ever High-Assay Low-Enriched Uranium Fuel Fabrication Facility License Application to the Nuclear Regulatory Commission

“Our team has been **working on this application for over three years**, putting our all into this process to ensure we meet each and every requirement associated with operating a **HALEU and TRistructural ISOtropic (TRISO)** based fuel facility, from receipt of incoming uranium to processing and shipping of final product fuel elements,” said Dr. Pete Pappano, President of TRISO-X. “In the end, it all came together in a series of documents that we’ve submitted to the NRC, with a great amount of pride.”

Initially, the TF3 will produce 8 metric tons of fuel per year (MTU/year), **supporting about 16 advanced reactors, including X-energy’s Xe-100 (<https://x-energy.com/reactors/xe-100>) design.** The TRISO-X team aims to expand the facility’s capacity to 16 MTU/year by the early 2030s, filling a crucial gap in the advanced reactor fuel supply chain.



From Left to Right: John Tappert (NRC: Director, Nuclear Material Safety and Safeguards, Division of Rulemaking, Environmental, and Financial Support), **Jonathan Rowley** (NRC: Licensing Project Manager, Nuclear Material Safety and Safeguards/Division of Fuel Management/Fuel Facilities Licensing Branch), **Jacob Zimmerman** (NRC: Branch Chief, Nuclear Material Safety and Safeguards/Division of Fuel Management/Fuel Facilities Licensing Branch), **Matthew Bartlett** (NRC: Licensing Project Manager, Nuclear Material Safety and Safeguards/Division of Fuel Management/Fuel Facilities Licensing Branch), **Tim Beville** (DOE: Program Manager, Advanced Reactor Demonstration Program), **Jennifer Wheeler** (TRISO-X: Director of Regulatory Affairs), **John Lubinski** (NRC: Director, Office of Nuclear Material Safety and Safeguards), **Pete Pappano** (TRISO-X: President), **Jill Caverly** (NRC: Environmental Project Manager, Nuclear Material Safety and Safeguards/Division of Rulemaking, Environmental, and Financial Support/Environmental Review and Materials Branch), **Shana Helton** (NRC: Director, Nuclear Material Safety and Safeguards, Division of Fuel Management)

“Today is the pinnacle moment in my several decades-long career in the nuclear industry,” said Jennifer Wheeler, Director of Regulatory Affairs at TRISO-X. “I’m honored to have led the team that will make history with this first-of-a-kind submission to the NRC and I look forward to working with the commission toward realization of the first-of-a-kind facility dedicated to manufacturing HALEU fuel products.”

The review of the application is expected to take 24-36 months, with issuance of the special nuclear material (SNM) license and operation of the TF3 in the 2025 timeframe. The NRC review and TRISO-X’s interactions with the NRC over this period of time are activities carried out under X-energy’s Advanced Reactor Demonstration Program (ARDP) cooperative agreement (<https://x-energy.com/media/news-releases/x-energy-signs-department-of-energys-advanced-reactor-demonstration-program-ardp-cooperative-agreement>) with the U.S. Department of Energy office of Nuclear Energy.

“The TRISO-X organization has done an outstanding job in meeting this important licensing milestone,” said Andrew Griffith, Acting Assistant Secretary for Nuclear Energy, “which is a critical step in achieving the goals of the Department’s Advanced Reactor Demonstration Program.”

Earlier this week TRISO-X announced the [acquisition of a 110-acre](https://x-energy.com/media/news-releases/x-energy-triso-x-selects-oak-ridge-horizon-center-for-first-commercial-advanced-reactor-fuel-fabrication-facility-in-north-america) lot in Oak Ridge Tennessee’s Horizon Center industrial park. The TF3 will be built in parallel with the license application review, following all requirements associated with the construction and operation of a nuclear fuel facility thus ensuring safety to the public and facility operators.

Key Facts:

- **First of a kind application for a facility dedicated exclusively to handling and processing uranium enriched to less than 20%, in support of the coming fleet of advanced and small modular reactors in the U.S. and worldwide**
- The NRC review is expected to take **24-36 months with facility operations in the 2025 timeframe**, well in advance of the first set of advanced reactors, thus eliminating a key risk to the fuel supply chain
- This 10 CFR 70 Category II fuel facility license application took approximately three years to develop, at a cost of almost \$20 million.
- The **TF3 will be commissioned in Oak Ridge, TN**, with support from the U.S. Department of Energy’s Advanced Reactor Demonstration Program, a part of the Bipartisan Infrastructure Law.

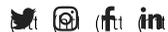
About X-energy

X-energy is redefining nuclear energy. Through TRISO-X, it manufactures fuel that seals uranium particles in a protective coating, which makes meltdown impossible and retains the waste inside forever. X-energy also designs plants that unlock the fuel’s potential in a process that’s as clean as wind or solar. When combined, the result is reliable carbon-free baseload power, produced more safely and affordably than ever before and available anywhere, at any time. For more information, visit <https://x-energy.com/> (<https://c212.net/c/link/?t=0&l=en&o=2803818-1&h=1296974609&u=https%3A%2F%2Fx-energy.com%2F&a=https%3A%2F%2Fx-energy.com%2F>) or connect with us on [Twitter](https://c212.net/c/link/?t=0&l=en&o=2803818-1&h=3820940066&u=https%3A%2F%2Ftwitter.com%2Fxenergynuclear&a=Twitter) (<https://c212.net/c/link/?t=0&l=en&o=2803818-1&h=3820940066&u=https%3A%2F%2Ftwitter.com%2Fxenergynuclear&a=Twitter>), [LinkedIn](https://www.linkedin.com/company/x-energy) (<https://www.linkedin.com/company/x-energy>) or [Instagram](https://c212.net/c/link/?t=0&l=en&o=2803818-1&h=1345572601&u=https%3A%2F%2Fwww.instagram.com%2Fxenergynuclear%2F&a=Instagram) (<https://c212.net/c/link/?t=0&l=en&o=2803818-1&h=1345572601&u=https%3A%2F%2Fwww.instagram.com%2Fxenergynuclear%2F&a=Instagram>).

For more information contact:

media@x-energy.com (<mailto:canada@x-energy.com>)

Media Kit (/media)



Our Reactors

Xe-Mobile
(/reactors/xe-mobile)
Xe-100 (/reactors/xe-100)

Our Fuel

TRISO-X (/fuel/triso-x)

Why?

Zero Emissions
(/why/zero-emissions)
Global Demand
(/why/global-energy-demand)
Clean Water
(/why/clean-water)
Nuclear & Space
(/why/nuclear-and-space)

About

Technology
(/technology)
Videos (/videos)
Canada (/canada)
ARDP (/ardp)

Company

Leadership
(/leadership)
Updates (/updates)
Newsroom
(/newsroom)
Shop (/shop)
Careers (/careers)

Connect

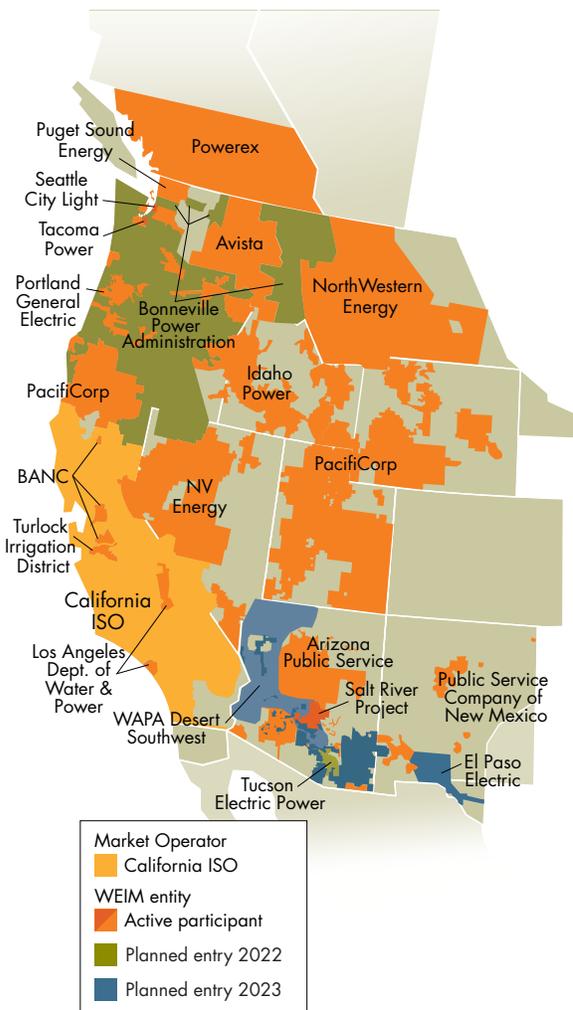
Contact Us
(/contact/general-inquiry)
Newsletter
(/newsletter)
Media (/media)



WESTERN ENERGY IMBALANCE MARKET

The Western Energy Imbalance Market (WEIM) was launched by the California ISO in 2014 in partnership with PacifiCorp, to leverage geographic and resource diversity across the western states. The real-time wholesale electricity market has generated gross economic benefits to participants totaling more than \$2 billion; enhanced regional efficiency of energy dispatch; supported the reduction of carbon emissions; and given system operators valuable, real-time visibility across the western grid.

TOTAL SAVINGS
\$ 2 billion
 in gross benefits



BENEFITS

The WEIM has surpassed \$2 billion in gross benefits since its launch in 2014 (see graphic on page 2). Economic and environmental benefits have multiplied as the market has grown and as more entities have joined.

Carbon reduction – The WEIM uses advanced technology to find and deliver the lowest-cost energy, which is typically renewable resources. Those market incentives led to a reduction in greenhouse gas (GHG) emissions of 712,270 metric tons since 2014, the equivalent of removing 149,752 cars from the road for one year.

Curtailements – Because of renewable energy transfers in the WEIM, the need for curtailing renewable resources was reduced by 1.6 million MWh since 2015.

HISTORY

The WEIM began operation Nov. 1, 2014, to optimize resources across the ISO and PacifiCorp balancing authority areas, including California, Oregon, Washington, Utah, Idaho, and Wyoming. It is the first of its kind in the western US.

The market currently has 17 participants, with another five participants slated to enter the market. By 2023, the WEIM will serve 79% of the Western Electricity Coordinating Council’s (WECC) total load.

HOW DOES IT WORK?

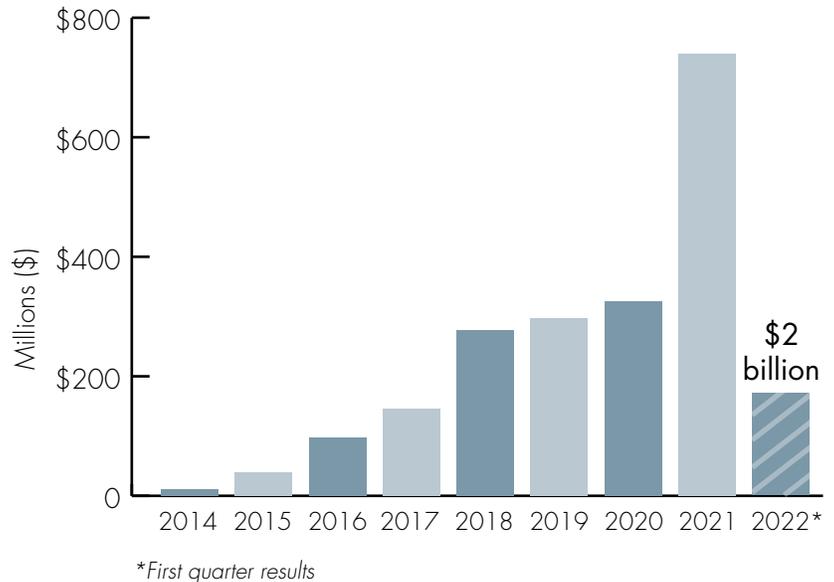
The WEIM extends California ISO services to entities that are not full participating transmission owners in the ISO grid. Through the wholesale energy market, the ISO provides other states in the western region access to the WEIM with its state-of-the-art, real-time grid management system.

Efficient management – The WEIM platform allows participants to buy and sell power close to the time electricity is generated and consumed, reducing congestion on transmission lines and finding least-cost resources across the WEIM footprint, and efficiently utilizing excess renewable energy resources that would otherwise be curtailed.

Geographic diversity – Expanding market access to utilities in other states benefits consumers, energy producers, and other grid operators by leveraging geographic diversity to improve renewable integration. Because wind and solar production vary depending on weather and time of day, spreading production over a larger region makes those gaps in output less pronounced. Generation in one area of the region may be used to offset demand in another area by using excess renewable energy that might otherwise be curtailed and adding much needed flexibility to the system.

WEIM economic benefits total

[Read full breakdown](#)



GOVERNANCE

WEIM Governing Body – The WEIM, which is governed by a five-member body of regional stakeholders, operates under a shared authority framework with the ISO Board of Governors on issues that affect WEIM participants.

Regional Issues Forum – The forum, held approximately three times a year, is a public meeting that supports ISO stakeholder discussions about the WEIM and other ISO initiatives. The forum is organized by stakeholder sector liaisons to support broad understanding and collaboration, help shape policy, and find solutions to challenges in the energy industry.

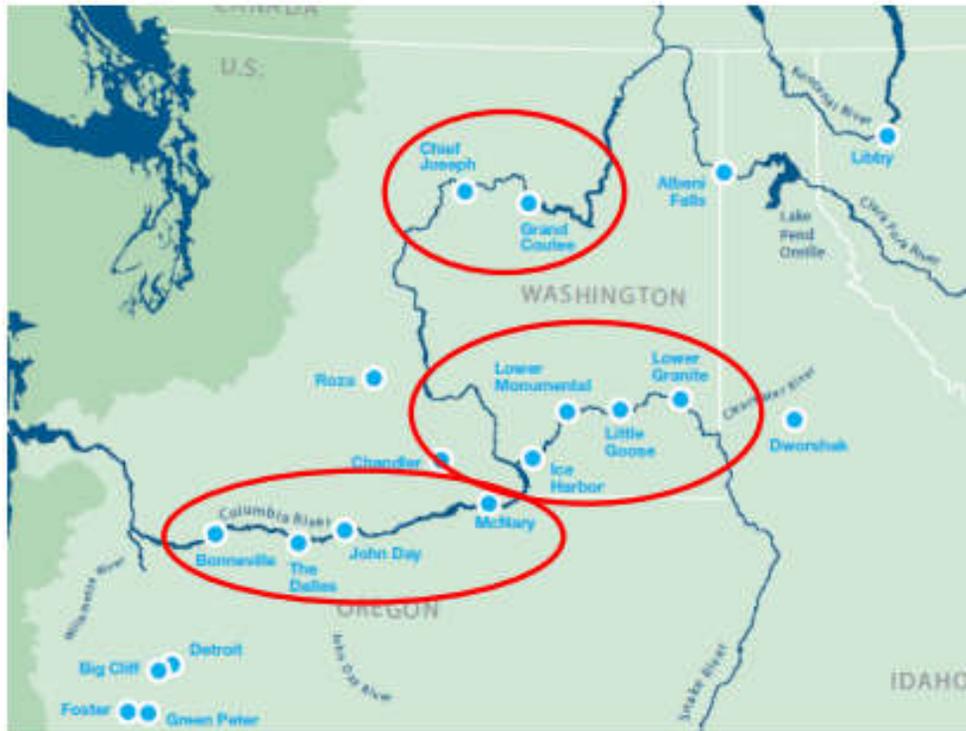
Body of State Regulators – The BOSR holds monthly meetings to help state regulators learn about the WEIM, the WEIM Governing Body, and ISO markets and to support state regulator efforts to express a common position on ISO stakeholder processes and important ISO market issues.

Visit www.WesternEIM.com for more information. Follow the [@California_ISO](#) and [@ISOMarketNotice](#) on Twitter. Download our mobile app, [ISO Today](#).



Generation Aggregation Analysis

- Aggregations & Flowgates

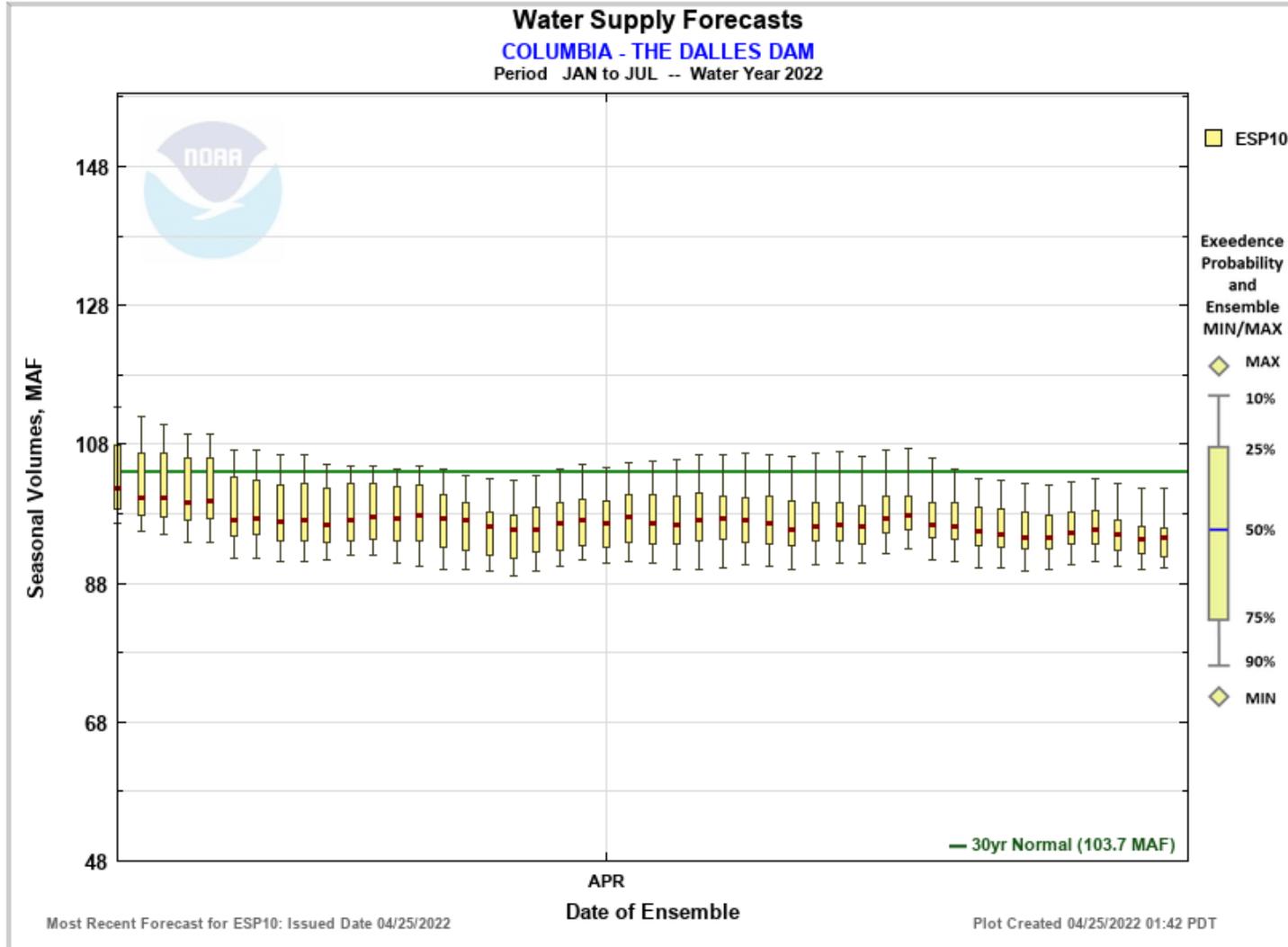


1

Power Supply Update



Water Year Update



**Jan through Jul:
91% of average**

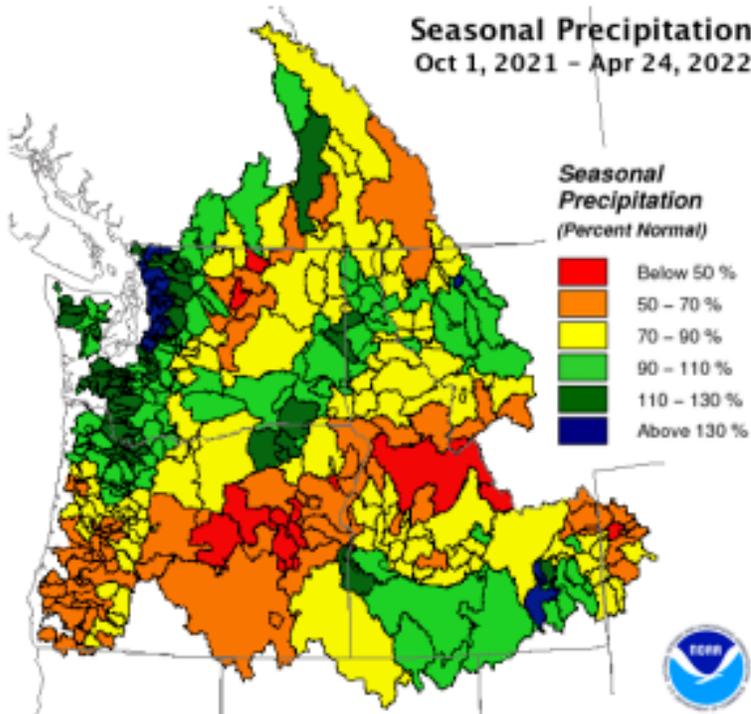
**Apr through Sep:
94% of average**

Regional Weather

3

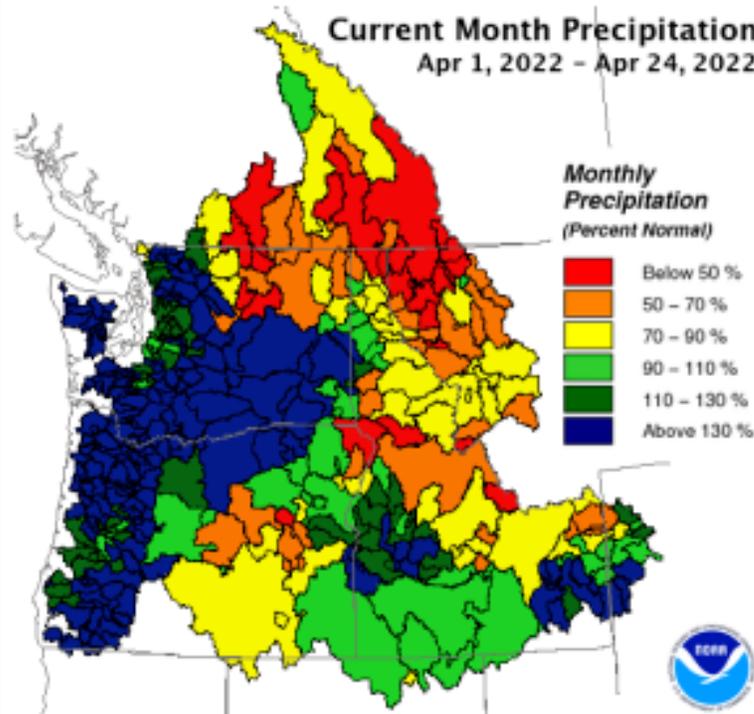
Seasonal Precipitation

Seasonal Precipitation
Oct 1, 2021 - Apr 24, 2022



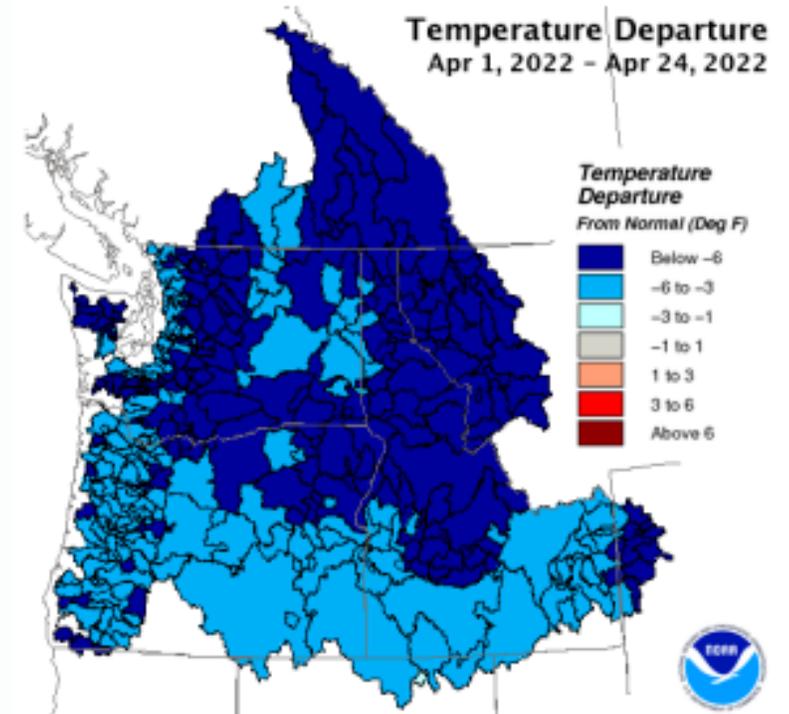
Monthly Precipitation

Current Month Precipitation
Apr 1, 2022 - Apr 24, 2022



Temperature Departure

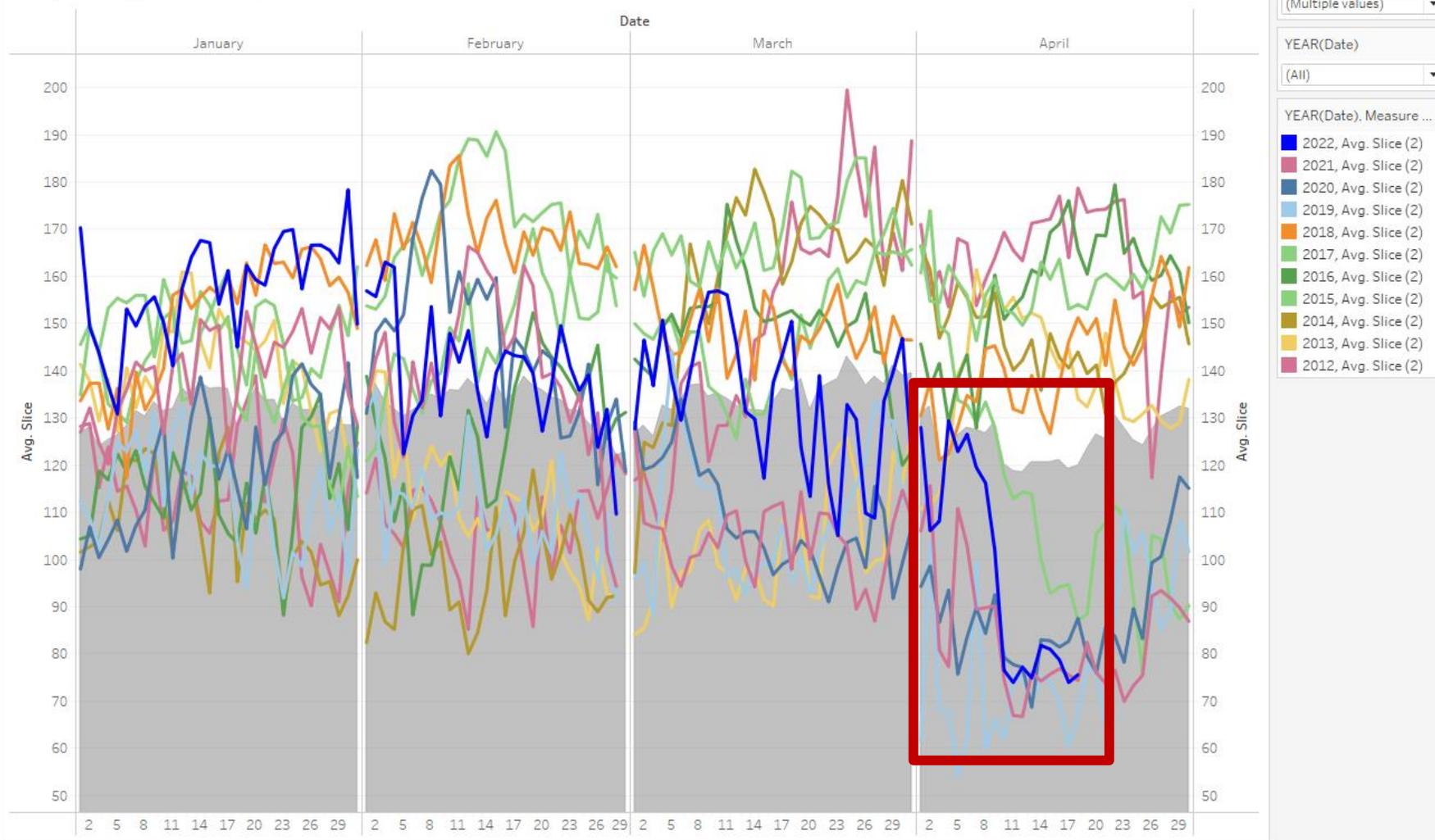
Temperature Departure
Apr 1, 2022 - Apr 24, 2022



Daily Average Slice Generation

4

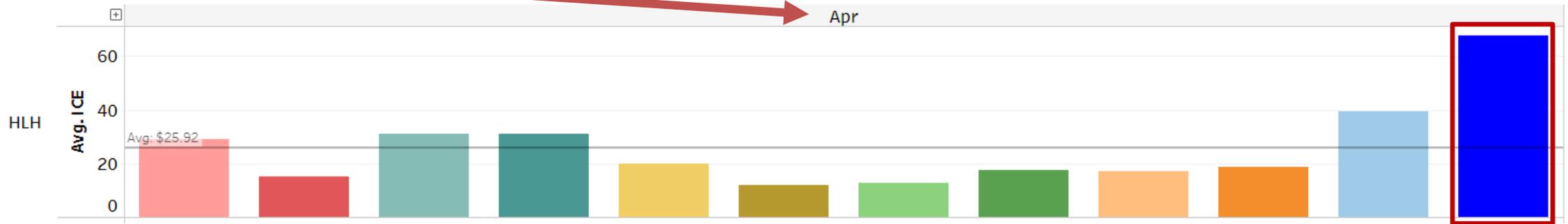
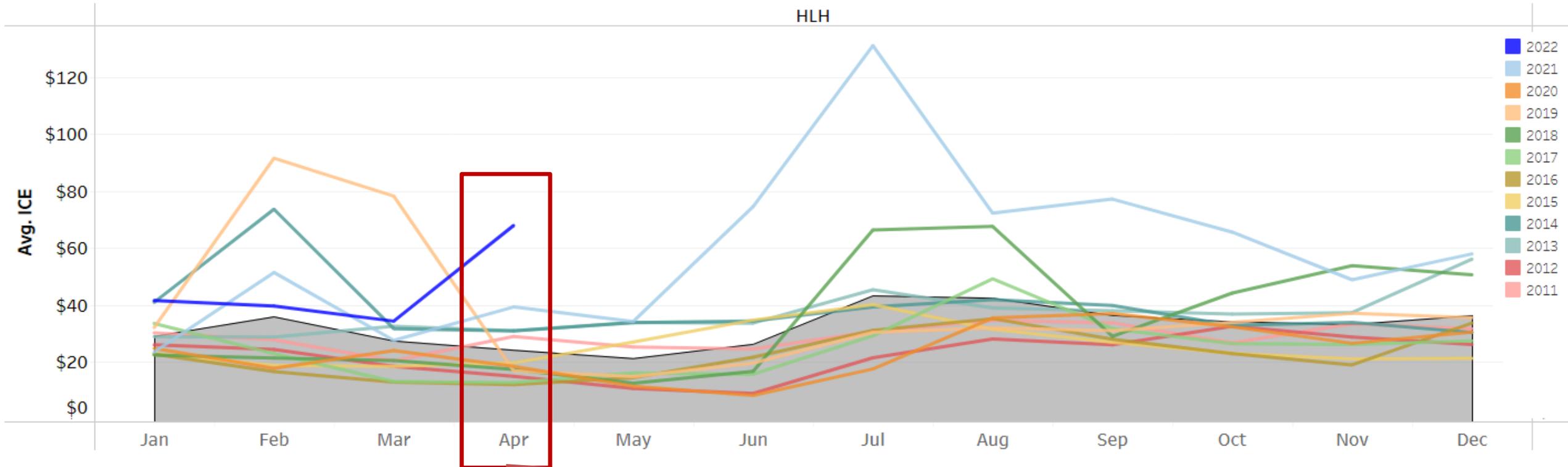
Daily Average Slice Comparison



Increased Spill Levels
+
Below Average Temps (holding snow)
=
Lower Slice Generation

Mid-C Monthly Average Peak Market Prices

5



BPA Proposed Update to Firm Hydro

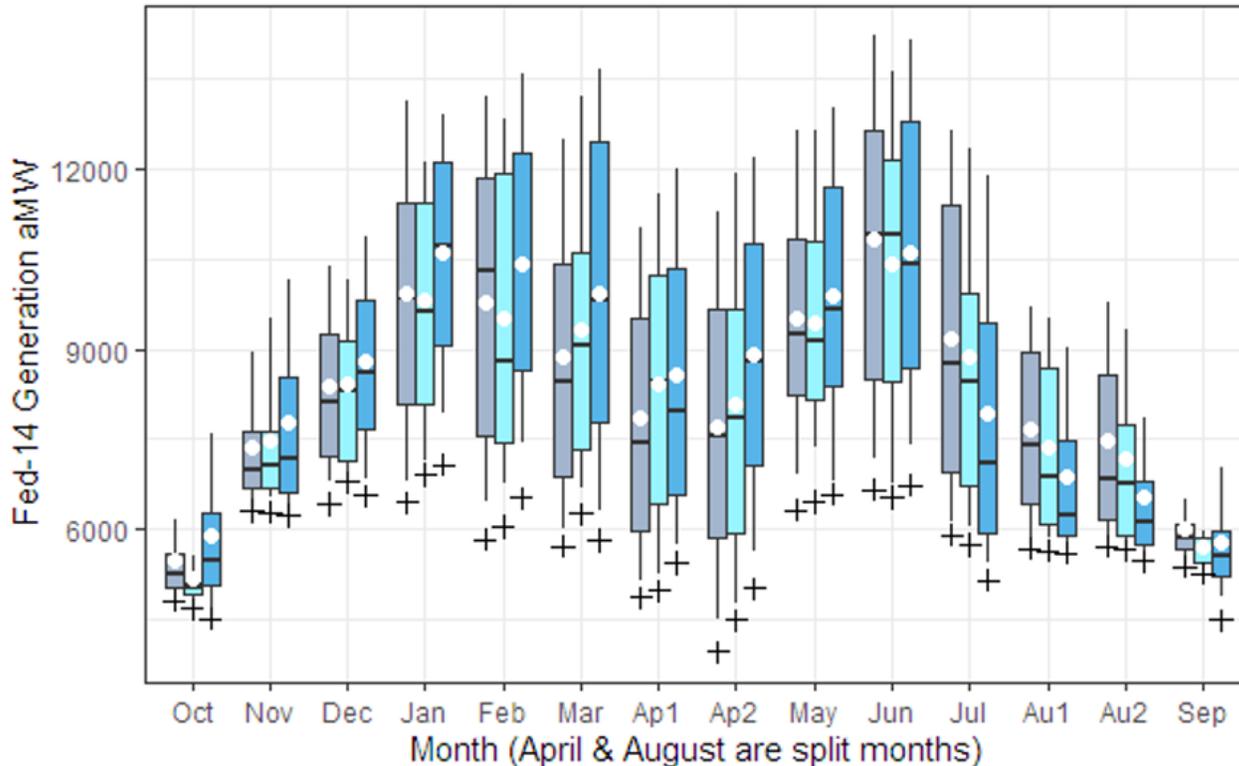


Observed and Forecasted Streamflow Change

7

B O N N E V I L L E P O W E R A D M I N I S T R A T I O N

Generation with Historic 90 vs Recent 30 vs RMJOC-II streamflows



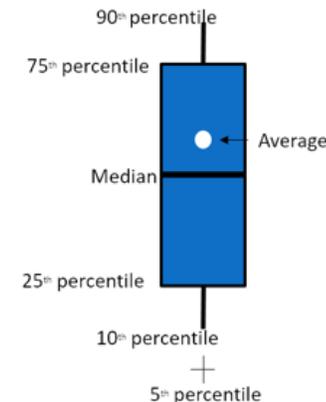
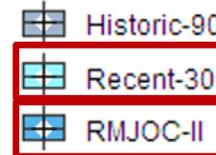
Observed and RMJOC-II climate change both show:

- Earlier run off
- Drier summers
- Reduced generation in fall

RMJOC-II (2020-2049)

- Increased Dec-Feb generation relative to observed stream lows.

Dataset



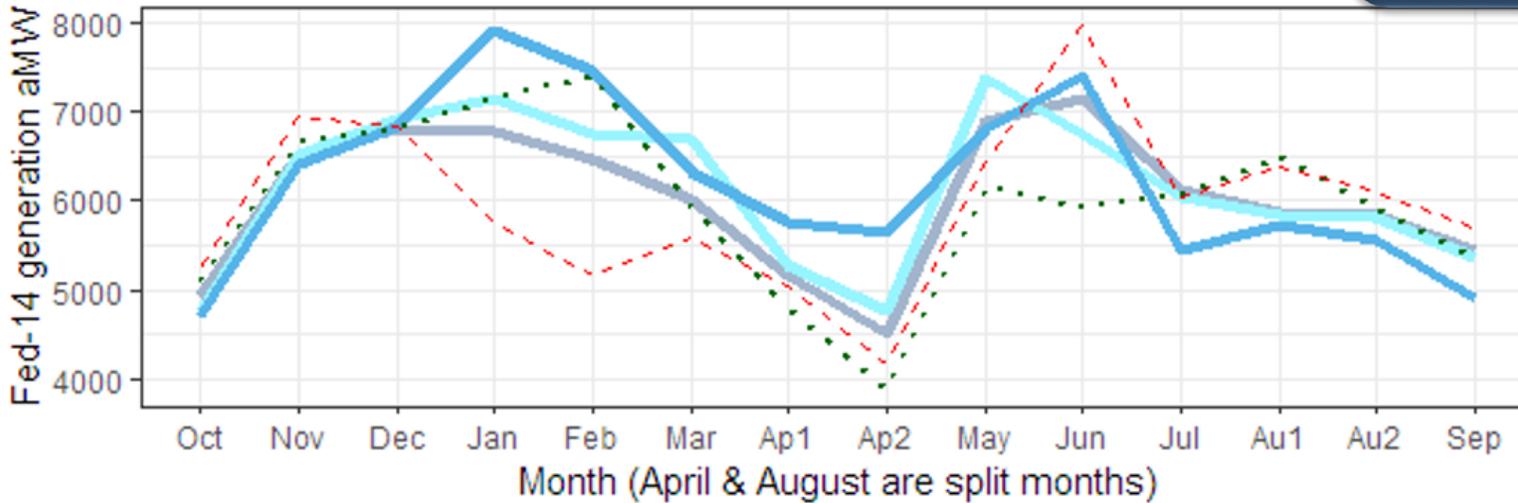
BPA is starting to see a shift in generation distributions using the recent 30 years

Climate modeling generally forecasts more winter/spring generation and less summer generation

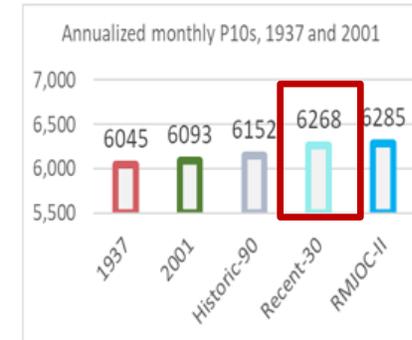
BPA Proposal

Proposing to replace 1937 Critical Water with Monthly P10 of Recent 30 years for upcoming BP-24 rate case

Monthly P10 generation vs Historic Years



— 1937 — 2001 — Historic-90 — Recent-30 — RMJOC-II



Benton's RHW increase would be about 6 aMW

This metric is similar to that used as a risk threshold in the Resource Program

30WY and RMJOC showing less risk in winter and spring, more risk summer.

Singular years are at times divergent from P10 generation statistics by month

BPA Request for Offer



Request for Offer Terms

10

- Due Date: May 11, 2022
- Timeframe Offered: Nov 2022 – Mar 2023, Jun 2023 – Sep 2023
- Term: Any or all months within the timeframe
- Available Products:
 - Daily Call Option
 - \$ per kW-month capacity premium
 - WSPP Schedule C Energy
 - Mid-C index + \$ per MWh premium
 - California Resource Adequacy Compliant Energy
- Preference customers have first right to product at highest offer price