

April 29, 2024

TP-LIC-LET-0130
Project Number 99902100

U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001
Attn: Document Control Desk

Subject: Agreement between US SFR Owner, LLC and TerraPower, LLC

This letter provides clarifying information on the relationship and agreements between US SFR Owner, LLC (USO), a wholly owned subsidiary of TerraPower, LLC (TerraPower), and TerraPower as it pertains to the Construction Permit Application (CPA) for Kemmerer Power Station Unit 1 (hereafter referred to as Kemmerer Unit 1).

By letter dated March 28, 2024, the CPA was submitted by TerraPower, on behalf of USO, to construct a nuclear-powered generating plant designated as Kemmerer Unit 1 (ADAMS Accession Number ML24088A059). USO is the applicant for the CPA. While TerraPower is the direct and controlling owner of USO, TerraPower is not the applicant.

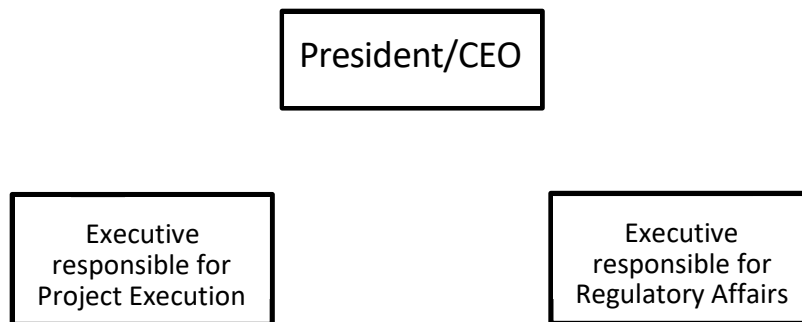
USO is a special purpose entity that was created on July 7, 2020, to serve as a vehicle for TerraPower's U.S. Department of Energy (DOE) Advanced Reactor Demonstration Program (ARDP) bid for the Sodium™ Demonstration Project.¹ USO is a Delaware limited liability company with its principal place of business in Bellevue, WA. TerraPower is the direct and controlling owner of USO. TerraPower, a Delaware limited liability company with its principal place of business in Bellevue, WA, is a nuclear technology company and is engaged in the development of new and novel reactor technology to support electricity generation. Pursuant to the terms of its agreement with USO, TerraPower is responsible for the administration and development of Kemmerer Unit 1 during the design and construction phase of the project, including support services in connection with filings by USO with any government authority, specifically the U.S. Nuclear Regulatory Commission.

¹ a TerraPower and GE-Hitachi technology.



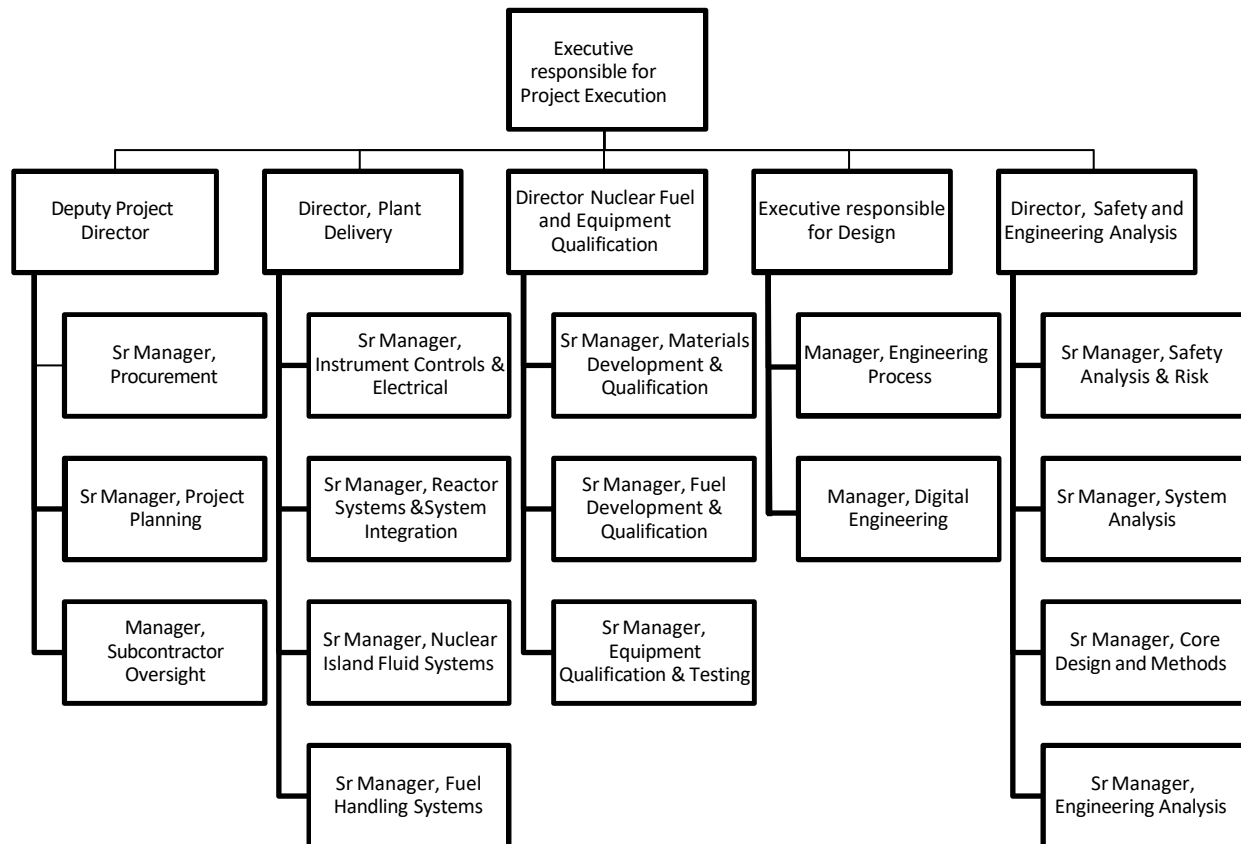
Through this agreement, TerraPower provides services to USO for the design and construction of Kemmerer Unit 1. TerraPower provides these services through the management and technical support organization of the Natrium Reactor Plant, which consists of TerraPower, GE Hitachi Nuclear Energy (GEH), and Bechtel. TerraPower has 15 years of experience as a nuclear innovation company, which includes designing, building, and laboratory testing of advanced nuclear technologies. TerraPower collaborates with GEH as a co-developer and Bechtel on engineering and construction. GEH and Bechtel each have over 60 years of experience in the design and construction of commercial nuclear reactors.

Currently, the key executive positions in the TerraPower organization fulfill the same roles in USO through the agreement and as a wholly owned TerraPower subsidiary. The President and Chief Executive Officer of TerraPower has overall responsibility for functions involving design, construction, licensing, and operation for both TerraPower and USO. Responsibilities for functions are delegated and assigned to the TerraPower Executive responsible for Project Execution and the TerraPower Executive responsible for Regulatory Affairs for the design, construction, and licensing of Kemmerer Unit 1.



The Executive responsible for Project Execution is responsible for the design and construction of Kemmerer Unit 1. The Executive responsible for Project Execution establishes the necessary controls and safeguards to ensure the plant is designed and constructed in a manner that assures nuclear safety and provides acceptable performance of the staff in design and construction activities. It is the responsibility of the Executive responsible for Project Execution to provide guidance and direction such that safety-related activities, including engineering, construction, operations, maintenance, procurement, and planning during the design and construction phase, are performed following the guidelines of the quality assurance program. The Executive responsible for Project Execution ensures that contractor support is obtained to perform principal site-related engineering studies of meteorology, geology, seismology, hydrology, demographics, and environmental effects. The Executive responsible for Project Execution is responsible for coordination between groups performing design and construction activities, to include coordination with the vendors.

The Executive responsible for Project Execution is assisted in this effort through the Deputy Project Director, Director of Plant Delivery, Director of Safety and Engineering analysis, and the Executive responsible for Design.



The Executive responsible for Design ensures there is technical excellence in design work performed on the project. This role is accountable for maintaining configuration management of the design, as appropriate to each design lifecycle stage. The Executive responsible for Design establishes and maintains engineering design processes that ensure the design meets technical and quality standards, maintains engineering design programs that ensure the design meets engineering and regulatory standards, and establishes qualification standards for engineering personnel working on the project.

The Executive responsible for Regulatory Affairs is responsible for the licensing of Kemmerer Unit 1 as well as the records management and document control (RMDC) program for design and construction. The Executive responsible for Regulatory Affairs ensures licensing activities are performed in accordance with government regulations and that RMDC program activities are performed in accordance with the quality assurance program. The Executive responsible for



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Regulatory Affairs is assisted in these activities by the director responsible for licensing and the manager responsible for RMDC.

Safety-related activities associated with the design and construction of the plant are governed by the TerraPower Quality Assurance Program (QAPD), the Sodium Demonstration Project Quality Execution Plan (QEP), and the USO QEP. USO is responsible for the establishment and execution of the quality assurance program requirements. USO may delegate the work of establishing and executing the quality assurance program, or any parts thereof, but retains responsibility for the quality assurance program. USO accomplishes this through agreements with TerraPower, in which TerraPower is delegated responsibility for all activities for Kemmerer Unit 1 using the TerraPower QAPD. TerraPower may further delegate the work of establishing and executing the quality assurance program.

The priority and responsibility of each member of the nuclear staff of the plant is nuclear safety. Decision-making for design activities is performed in a conservative manner with expectations of this core value regularly communicated to appropriate personnel by management interface, training, and station policies. Lines of authority, decision-making, and communication are clearly and unambiguously established to enable the understanding of the various project members, including contractors, that project and utility management is in charge and directs the project.

This letter makes no new or revised regulatory commitments.

If you have any questions regarding this submittal, please contact George Wilson at gwilson@terrapower.com or (425) 324-2888.

Sincerely,

A handwritten signature in cursive script that reads "George Wilson".

George Wilson
Vice President, Regulatory Affairs
TerraPower, LLC

cc: Mallecia Sutton, NRC
Josh Borromeo, NRC
Nathan Howard, DOE
Jeff Ciocco, DOE
NRC, Region II
NRC, Region IV