

TO: Green Mountain Power Corporation Board of Directors
FROM: Special Nuclear Committee (D. Coates; F. Rathke; M. McClure)
DATE: January 12, 2021
RE: 2020 Annual Summary of Special Nuclear Committee

I. Executive Summary

The Special Nuclear Committee (the “Committee”) of the Board of Directors (the “Board”) was established after Gaz Métro Limited Partnership, now Énergir,¹ acquired Central Vermont Public Service Corporation (“CVPS”) on June 27, 2012. The Committee was formed as part of the Negation Action Plan (“NAP”) approved by the Nuclear Regulatory Commission (“NRC”) to prevent foreign ownership, control, or domination (“FOCD”) inconsistent with the Atomic Energy Act and NRC regulations. Under the NAP, the Committee is required to prepare an annual summary for the Board of any FOCD issues identified and how such issues were resolved.

For the 2020 calendar year, **no FOCD concerns have been identified.**

2. Background

By Orders dated June 15 and September 21, 2012, the NRC approved license transfers related to the Company’s 1.7303% ownership interest in Millstone Unit 3 that resulted from Énergir’s acquisition of CVPS and the subsequent merger of CVPS with and into the Company. The NRC’s approval was conditioned on the Company implementing the NAP, given that the Company is indirectly owned by a foreign entity.

The Atomic Energy Act and NRC regulations preclude the issuance of a reactor license to any entity that the NRC knows or has reason to believe is subject to FOCD. Because GMP owns only a small minority non-operational interest in Millstone Unit 3, and small minority shareholder interests in Maine Yankee Atomic Power Company, Connecticut Yankee Atomic Power Company, and Yankee Atomic Electric Company (collectively, the “Yankee Companies”), it is not expected that Énergir will be able to exercise impermissible FOCD over any NRC-licensed activities or nuclear materials. Nevertheless, the Company and Énergir proposed the NAP to ensure for the NRC that FOCD would be precluded. The NAP is incorporated into Article IV of the Company’s Bylaws.

¹ Gaz Métro’ changed its name to Énergir in November, 2017.

3. Formation and Role of the Committee

As required by the NAP, the Committee consists of three Board members who are U.S. citizens, with a majority of two of the Committee's members being independent directors.

Subject to certain reservations (set forth in Article IV, Section 3(b)(i) of the Bylaws) related to fundamental business decisions, the Committee has the sole discretion to act on behalf of the Board in all matters related to the Company's ownership interest in Millstone Unit 3 and the Company's shareholder interests in the Yankee Companies.

4. Summary of Committee Activities in 2020

During the 2020 calendar year, the Committee reported to the Board on a quarterly basis, for informational purposes only (as set forth in Article IV, Section 3(a)(iv) of the Bylaws). The focus of the Committee's activities during 2019 has been to understand the roles and responsibilities of the Company with respect to its minority ownership interest in Millstone Unit 3 and its shareholder interests in the Yankee Companies. Because the Company has no operational role for Millstone Unit 3, its principal obligation is to pay its pro rata share of costs for the operation and maintenance of the unit, as well as provide its pro rata share of decommissioning funding.

During the 2020 calendar year, the Committee has not identified any FOCD concerns and has not needed to take any special actions with respect to the Company's nuclear interests.