

# NuScale Power Corporation NYSE:SMR

## FQ3 2024 Earnings Call Transcripts

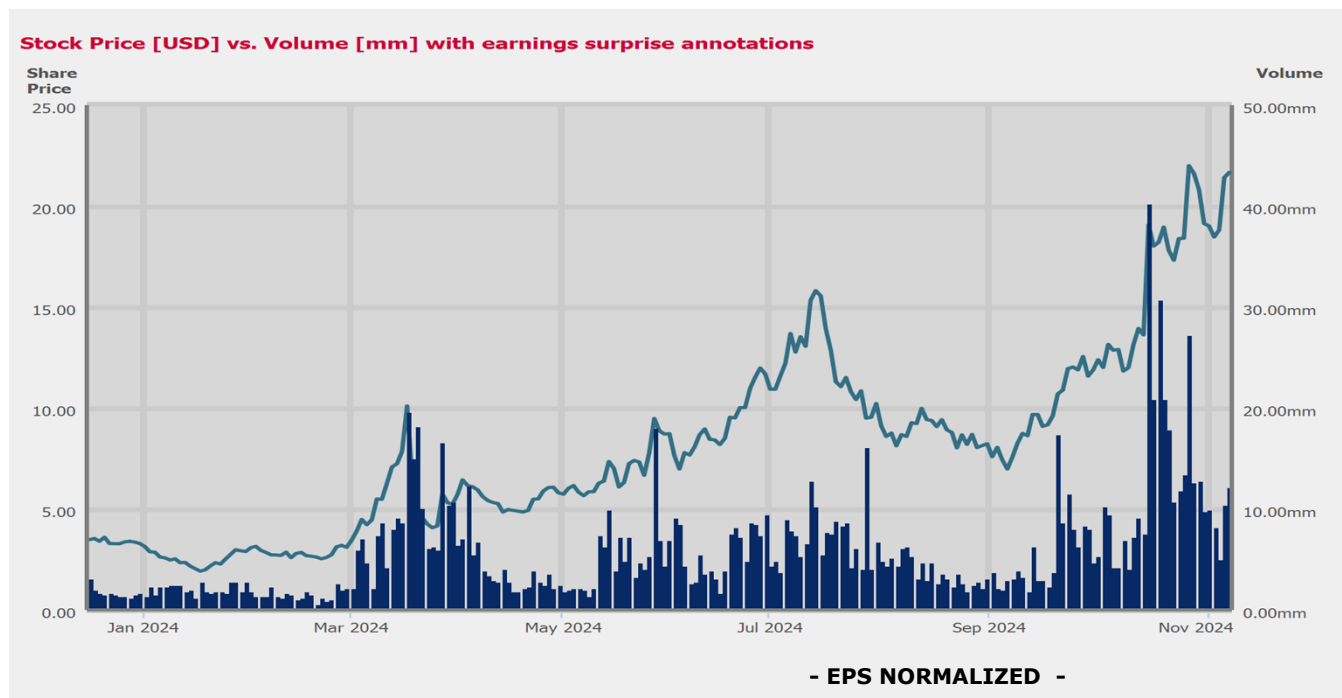
Thursday, November 07, 2024 10:00 PM GMT

S&P Global Market Intelligence Estimates

	-FQ3 2024-			-FQ4 2024-	-FY 2024-	-FY 2025-
	CONSENSUS	ACTUAL	SURPRISE	CONSENSUS	CONSENSUS	CONSENSUS
<b>EPS Normalized</b>	(0.13)	(0.18)	NM	(0.13)	(0.67)	(0.44)
<b>Revenue (mm)</b>	10.71	0.48	▼ (95.52 %)	13.18	16.14	91.83

Currency: USD

Consensus as of Nov-04-2024 7:35 AM GMT



	CONSENSUS	ACTUAL	SURPRISE
<b>FQ4 2023</b>	(0.22)	(0.25)	NM
<b>FQ1 2024</b>	(0.17)	(0.21)	NM
<b>FQ2 2024</b>	(0.13)	(0.31)	NM
<b>FQ3 2024</b>	(0.13)	(0.18)	NM

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# Call Participants

## EXECUTIVES

**Clayton Scott**

*Chief Commercial Officer*

**John L. Hopkins**

*President & Chief Executive Officer*

**Robert Ramsey Hamady**

*Chief Financial Officer*

**Scott Kozak**

*Director of Investor Relations*

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**Eric Stine**

*Craig-Hallum Capital Group LLC,  
Research Division*

**Leanne Hayden**

*Canaccord Genuity Corp.,  
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**Marc Gregory Bianchi**

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# Presentation

## Operator

Good afternoon, and welcome to NuScale's Third Quarter 2024 Earnings Results Conference Call. Today's call is being recorded. [Operator Instructions] A replay of today's conference call will be available and accessible on NuScale's website at [ir.nuscalepower.com](http://ir.nuscalepower.com). The web replay will be available for 30 days following the earnings call.

At this time, for opening remarks, I would like to turn the call over to Scott Kozak, Director of Investor Relations. Please go ahead, Mr. Kozak.

## Scott Kozak

*Director of Investor Relations*

Thank you, operator. Welcome to NuScale's Third Quarter 2024 Earnings Results Conference Call. With us today are John Hopkins, President and Chief Executive Officer; and Ramsey Hamady, Chief Financial Officer.

On today's call, NuScale will provide an update on our business and discuss financial results. We will then open the phone lines for questions. This afternoon, we posted a set of supplemental slides on our Investor Relations website.

As reflected in the safe harbor statements on Slide 2, the information set forth in the presentation discussed during the course of our remarks and the subsequent Q&A session includes forward-looking statements, which reflect our current views of existing trends and are subject to a variety of risks and uncertainties. You can find a discussion of our risk factors, which could potentially contribute to such differences, in our Form 10-K and subsequent SEC filings.

I'll now turn the call over to John Hopkins, NuScale's President and Chief Executive Officer. John?

## John L. Hopkins

*President, President & CEO*

Thank you, Scott, and good afternoon, everyone. For nearly 2 decades, energy demand in the United States has remained largely flat. However, in the past year, the growth trajectory has inflected with power demand forecasted to accelerate aggressively. While this demand outlook is supported by onshoring trends boosting domestic manufacturing, electrically powered transportation and heavy industry, the most important driver is data centers.

Technology companies are racing to secure massive amounts of uninterrupted energy to operate complex data centers and power increasingly sophisticated artificial intelligence. The demand for carbon-free energy is accelerating. This urgent need is at the heart of what NuScale technology can bring to this market. I'd like to take this time to reinforce our view that powering the technology industry is an integral part of our future.

As depicted on Slide 3, data centers are seeking more computing power, faster and more powerful processing and enriched artificial intelligence, all requiring far more energy, which they need 24/7, with five-9's -- that's 99.999% reliability. According to a recent McKinsey analysis, the portion of domestic power output consumed by U.S. data centers is expected to increase from 3% to 4% in 2023 to 11% to 12% in 2030. In other words, U.S. data center power consumption will rise from 25 gigawatts in 2024 to over 80 gigawatts by 2030, requiring an investment exceeding \$500 billion.

What's more, hyperscalers have made commitments to customers and shareholders for meeting their accelerating power demands with carbon-free energy. Enter nuclear, and in particular, small module reactors, or SMRs, an energy source that is compact, clean and constant. Nuclear is the superior choice. Coal and natural gas power generators have obvious carbon emission challenges, and renewables like wind

and solar are still intermittent. While renewables are undoubtedly important in our clean energy future, nuclear and specifically SMRs are uniquely positioned to take the lead in powering these massive data centers. The world's major tech companies are discovering the value of nuclear.

As seen on Slide 4, driven by the need for sustainability along with an AI revolution, we have seen numerous recent announcements from tech companies scouring the country for carbon-free electricity and zeroing in on nuclear energy. In March, Amazon acquired Talen Energy's data center campus connected to the Susquehanna nuclear station. In September, BlackRock, Microsoft and others announced plans to mobilize up to \$100 billion for building data centers and a supporting grid energy infrastructure to power them. Also in September, Constellation Energy announced plans to restart an 835-megawatt reactor at the Three Mile Island nuclear plant and sell 100% of that power it generates to Microsoft. As Google pursues its goal of becoming carbon neutral by 2030, its CEO, Sundar Pichai, said SMRs could be used to generate more than 1 gigawatt of power for a planned large-scale data center.

Similarly, on Oracle's most recent earnings call, Chairman, Larry Ellison discussed designing data centers powered by SMRs that require more than 1 gigawatt of energy. This change is happening now today. And just as tech companies are choosing nuclear power, they're also seeking small modular reactor technology, a safer, cheaper and more consistent means of delivering carbon-free electrons.

As the only U.S. NRC approved technology with reactors already in production, NuScale leads the industry in near-term deployability. With our commercialization partner, ENTRA1 Energy, we are moving closer to supplying their ENTRA1 Energy plants as they continue to finalize commercial agreements. I'm in dialogue with senior executives from prospective customers almost daily, and I can confirm there is fundamentally more interest in understanding nuclear technologies, regulations, supply chains and business models than ever before. This is not rhetoric for them. These hyperscalers need this power now in an ever-increasing amount over the long term. And they're responding positively to the ENTRA1 Energy plant's commercial model that are structured to mitigate a significant number of SMR-related risks, including first-of-a-kind development risk and execution construction risk. Hyperscalers also benefit from NuScale's SMR scalability, availability, reliability and equally important, near-term deployability.

Two additional points on this topic. First, we expect ENTRA1 Energy plants with NuScale SMR technology to be competitive with the recent Microsoft-Constellation and Google-Talen agreements. Second, there are very few restart opportunities in large-scale nuclear with favorable economics similar to Three Mile Island. Hyperscaler companies will have to secure SMR new deals to meet their reliability objectives and sustainability targets.

These prospective NuScale power plants are generating significant interest from infrastructure capital as well as large commercial banks. For context, in September, a group of 14 global financial institutions, including Citigroup, Barclays and Morgan Stanley announced their support to triple nuclear energy capacity and reach net zero by 2050.

While data centers are extremely important, we're seeing increased interest across the board from a variety of potential offtakers, as you can see on Slide 5. NuScale was the only nuclear company to present at the recent Gastech event in Houston with 50,000 people in attendance. We continued our dialogue with interested prospects, including senior executives at major oil and gas companies seeking not only power but also high-pressure, high-temperature steam for hydrogen and ammonia production. These executives understand how attractive our site boundary emergency planning zone is as well as our capacity to be off-grid and appreciate that NuScale technology is multiple years ahead of other proposed SMR technologies.

Now let's discuss international opportunities. Our technology is widely acknowledged across the globe as important for both climate disruption and energy security. This has led to an advanced interest in East and Southeast Asia, Eastern Europe, the Middle East and Africa.

As outlined on Slide 6, I'll provide an update on recent developments with the RoPower project. In the third quarter, SNN and RoPower were authorized to proceed with Phase 2 front-end engineering design, or FEED work. Shortly after our third quarter ended, Fluor, the prime for Phase 2 FEED, finalized a sub-agreement with NuScale FEED Phase 2, which will include tasks related to the development of

Class 3 plant construction estimates as well as support to RoPower with its regulatory and stakeholder engagements.

Separately, in August, the U.S. Department of State announced that Regnum Technology signed an MOU with the Government of Ghana to pursue development of an SMR plant and had chosen NuScale technology to power it. We also plan to open an energy exploration or E2 Center at the Ghana Atomic Energy Commission site on the campus of the University of Ghana. This will be our sixth E2 Center globally with other facilities operate in universities in Romania, Korea and the United States.

Interest and potential demand for the technological benefits that NuScale SMRs offer have never been higher. Potential customers see and appreciate what sets NuScale apart, including our partnership with ENTRA1 Energy with its proprietary business models that have been positively received by all market counterparties as the vital solution that provides off-takers the ability to meet their strategic risk parameters and financial objectives without the need to capitalize, own or operate their own plant. Negotiating agreements is a complex process that, by nature, takes time, but we continue to make significant headway and remain confident that we can achieve our near-term sales goals.

As conveyed on Slide 7, the U.S. must remain at the forefront of the green energy transition. The production of nuclear energy as a baseload power is imperative to maintaining carbon-free reliability in the U.S. electricity grid and is rightly viewed as a national security imperative. NuScale SMR technology has unique ability to provide the availability and reliability needed to secure our data for national security. Strong leadership in a green economy is good for the environment and it's good for America and our allies. It supports our geopolitical interest by reducing reliance on non-domestic energy sources.

In addition, it powers U.S. economic growth and enables global competitiveness. Additional nuclear energy supply will also support onshoring trends and America's strong growth in domestic manufacturing. Domestic policy initiatives, including the CHIPS and Science Act and the Inflation Reduction Act cannot be fully realized without access to abundant carbon-free power. Further, given the recent election outcome and the long-held priorities of the incoming administration, we expect development of nuclear energy to further accelerate. NuScale and ENTRA1 Energy are optimally positioned to support this ongoing transition.

As seen on Slide 8, NuScale is at the forefront of next-generation nuclear energy producers with regards to design safety and innovation. We have systems, features and capabilities that are unmatched amongst other competing nuclear technologies, SMR or otherwise. For example, NuScale power modules have the ability to safety shutdown and self-cool indefinitely without the need for AC or DC power, operator interaction, or any additional water. This enables what is termed an unlimited coping period, a first for light-water reactor technology and an extraordinary differentiator in relation to safety.

In addition, the NRC approved our methodology in determining the emergency planning zone, or EPZ, for NuScale-powered energy plants, as opposed to traditional nuclear power plants, which are required to have an EPZ of 10 miles in the U.S. We can achieve an EPZ limited to the site boundary. A smaller EPZ significantly reduces plant operating costs and further enables the siting of NuScale's technology where it is needed most, such as retired coal power plant locations and close enough to manufacturing facilities to provide high-temperature, high-pressure steam for industrial applications. Further, NuScale's SMRs do not require grid power or connection for safety, which is another first for a nuclear power plant.

Moving on to Slide 9. An important reason why we're the only near-term deployable SMR is that we are the only technology with design certification from the U.S. Nuclear Regulatory Commission, or NRC. Others in the SMR marketplace remain at the early stages of multiyear processes and working towards approval. Our second standard design approval application for a power upgrade to 77-megawatt electric is scheduled to conclude by mid-2025. The design upgrade is based on our same fundamental safety case and features approved by the NRC in 2020. And we believe the 77-megawatt NuScale power module supports a wider range of customers.

Now let's turn to manufacturing, where we are also leading the pack. Doosan Enerbility continues making progress in producing the first NuScale power modules, the only NRC-approved SMRs in production. On Slide 10, you will see the images from Doosan in support of manufacturing and supply chain readiness

activities. This continued work provides advantages to our next project deployment, shortening delivery significantly.

When it comes to manufacturing our modules, NuScale's relationships with our long-term supply chain partners, many of which are also strategic investors, are one of the most significant sources of our strength. Doosan and other members of our supply chain have made substantial investments retooling their facilities in preparation for supporting NuScale's commercialization. Our robust supply chain has positioned NuScale as a clear leader in manufacturing readiness in the SMR space and is why we are ready to produce customer orders right now.

Before I turn the call over to Ramsey, I want to echo a recent comment from Constellation Energy's CEO, Joe Dominguez: "The most important energy commodity in the world today is a reliable and clean electric megawatt." NuScale has the ability to produce clean, reliable energy, reach end users and help them achieve their sustainability goals, whether it's an industrial electrification, process heat or the rapidly escalating demand of the data economy. NuScale's SMR technology is part of the energy solution for the future.

Recently, Idaho National Lab performed a landmark study, which validates that a NuScale integrated energy system is both technically viable and economically competitive with a high-temperature gas-cooled reactor, or Gen 4, for process steam applications. NuScale has advantage and that is the only SMR with a design certification with modules in production.

We maintain competitive advantages in technology, safety, manufacturing readiness, siting and regulatory success and are prepared to produce and deliver. I am looking forward to continuing to update you on our progress in the months ahead.

Now Ramsey will provide our financial update. Ramsey?

**Robert Ramsey Hamady**  
*Chief Financial Officer*

Thank you, John, and hello, everyone. Our financial results are available in our filings, so my focus will be on explaining major line items. See Slide 11 for third quarter results and relevant factors impacting our financial position. All figures following are for Q3 2024, unless I state otherwise. NuScale's overall cash position improved during the period, ending the third quarter with cash, cash equivalents and short-term investments of \$161.7 million, \$5.1 million of which is restricted, and no debt. We are pleased with the progress we have made, strengthening our balance sheet and reducing our operating expenses over the course of 2024.

The company's cash position is higher now than it was at year-end 2023, driven primarily by the careful and measured utilization of our ATM program as well as disciplined budgeting and cost optimization efforts. For the quarter ended September 30, 2024, NuScale reported revenue of \$0.5 million and net loss of \$45.5 million. This includes a non-cash expense of \$7.2 million related to an increase in the fair value of warrants outstanding.

During the same period in the prior year, the company reported revenue of \$7 million and net loss of \$58.3 million, which included non-cash income of \$11.1 million related to our warrants. Operating expense was \$41.2 million compared to \$93.9 million in the year earlier period. The year-over-year reduction in operating expense of \$52.7 million reflects the company's actions to reduce costs and operate more efficiently. Separately, during the third quarter, we reported an operating loss of \$41 million. This compares to an operating loss of \$92.9 million in the third quarter of 2023.

Looking forward, NuScale will maintain our financial discipline and remain focused on managing liquidity and risk. We are committed to sustaining a prudent liquidity reserve.

I will conclude my remarks with a brief view of our capitalization summary on Slide 12. Additional information may be found in our SEC Form 10-Q and earnings release.

With that, I'd like to thank you again for joining today and for your continued support of NuScale. We'll take questions. Operator?

# Question and Answer

## Operator

[Operator Instructions]

Your first question comes from the line of Eric Stine with Craig Hallum.

## Eric Stine

*Craig-Hallum Capital Group LLC, Research Division*

So I know -- I mean this -- I know this happened recently, but just curious your thoughts on the FERC rejection of Talen in the Amazon data center. And obviously, it would seem to me that it proves out the need for SMRs, incremental power baseload, zero emissions, etc. Just curious, I mean, again, I know it's early, right, it just happened. But is that something that you expect to drive further interest from your pipeline and new customers?

## John L. Hopkins

*President & CEO*

Yes. I think that FERC -- and it was quick, and it was -- I don't think it's over with. The FERC obviously wants to have electrons on the grid versus behind the meter. So it's still to pan out. I think it's too early in the process really to comment other than the fact I don't believe personally that it's going to be a hold up going forward in the market.

## Eric Stine

*Craig-Hallum Capital Group LLC, Research Division*

Got it. Is it a -- I mean, because SMRs would be incremental power, to me, that was the biggest thing, right? That part of the reason this was rejected at least for now is because it would be taking electrons from someone else rather than incremental power at the site of use.

## John L. Hopkins

*President & CEO*

Yes. That's what I read, but I really don't know beyond what you read, the rationale behind it. So I'm sure we'll soon -- things will occur within near term, we'll have a better understanding.

## Eric Stine

*Craig-Hallum Capital Group LLC, Research Division*

Okay. Fair enough. I guess second one for me, just good to hear on the uprate progress or the expectation that's on track for mid '25. I mean maybe just remind me what the importance of that for part 52 approval, and whether it's ENTRA1 or someone else goes through that process. And just curious also, I know you've got a big pipeline. Are there customers who are kind of waiting on that uprate approval before moving forward?

## John L. Hopkins

*President & CEO*

Yes. I was with the NRC. We're in regular communications with them, as you can imagine, frequently. I have what's called drop-ins. We visit with commissioners in this particular case. I also met with Chairman Hanson. And to your point, we are on schedule. We're hoping to get to the technical aspects here soon, but we're still on schedule to meet the NRC schedule of mid-'25, which we're looking about the July time frame, if not sooner.

The importance of it is that as we went through the NRC process, as you recall, we submitted our design and certification application for 12 modules at 50 megawatts electric. And having gone through the process, through the NRC licensing of scaling up and modeling, we came to the realization that, that



same machine could essentially -- and we were conservative, could push outwards towards 80 megawatts electric. And we felt the economics better supported 80, and also our customers were asking about an additional up to the 80 megawatts per unit.

If you look what's happening today in the data centers, now we were originally thinking on coal plant refurbishment. A lot of companies were asking for 6 modules. Today, it's 12 modules. And at a 12-module plant at 77 megawatts electric, you're pushing pretty much a gigawatt size plant that's scalable. So this is very attractive to the customers who we're in discussions with today.

**Robert Ramsey Hamady**  
*Chief Financial Officer*

Eric, this is Ramsey. Just to add on, you mentioned, as we work with the large data center and tech companies, we're working with ENTRA1 Energy as they progress in their discussions with the large tech companies. And I haven't seen -- I haven't heard feedback from them that anyone has delayed or feel any sort of reticence to progress discussions based on the uprate. But we're so far through the process, it was a 2-year process. We're looking down now around the last 6 or 7 months.

And you have to remember, out there in the market today, people are signing PPAs and making announcements with technologies that are nowhere near the stage of development that we are. And not to downplay the progress that those companies have made, and we're always hopeful and supportive of our peers. But our technology is much more further advanced, and we're seeing people dive into PPAs with really just very theoretical designs at this point.

**Operator**

The next question comes from Marc Bianchi with TD Cowen.

**Marc Gregory Bianchi**  
*TD Cowen, Research Division*

I guess Ramsey, you just mentioned those other announcements. I was curious, was NuScale involved in some of those discussions? And were there any aspects of the way those arrangements were put together that are maybe, I don't know, not part of how you guys would want to have your business model put together? I'm just kind of curious at your reaction to the details of those announcements.

**Robert Ramsey Hamady**  
*Chief Financial Officer*

Marc, look, I think those announcements are pretty varied. They go from Amazon making investment into X-energy to Google signing, I think, something resembling a PPA with Kairos Power. So there's a pretty wide breadth of what's out there in the market. Again, as I said just now to Eric, what we're doing is we're working with ENTRA1 as they progress those discussions. I haven't been have -- I don't have a relative comparison point between discussions that ENTRA1 is progressing with data center companies and these other groups. I do think that ENTRA1 model provides a different sort of comparison set. So Clayton, are you on the line?

**Clayton Scott**  
*Chief Commercial Officer*

Yes, Ramsey. I'm here. So the ENTRA1 discussions with the tech companies are different in flavor. So all I can say is that they're still continuing and progressing. And we're obviously in a different place as far as our technology and where we are. So we're having, I would say, concrete discussions but different than what's been announced.

**John L. Hopkins**  
*President & CEO*

Marc, this is John, but let me add to that. And again, it bears out what we've been saying now for a few years. It's having these alphas, I'd call them, or Tier 1s looking at nuclear in the way that they are, it's

great for our industry. And the announcements they made, that's an option. A lot of it gets into -- what we're hearing is they need near-term deployability, but they're also looking at future state. So to me, those announcements just validates the fact that these large-scale companies are, in fact, looking at nuclear as a solution to what they're looking for future state and also near term. So we're in discussions with the same companies.

**Marc Gregory Bianchi**

*TD Cowen, Research Division*

Okay. Great. The other thing that I noticed, which is there was a \$20 million customer deposit announced in the quarter here when I look at the cash flow statement. Was that -- is that related to RoPower? Or is there another customer involved there?

**Robert Ramsey Hamady**

*Chief Financial Officer*

Marc, so that's in relation to RoPower and just our progress on the project with them. As I look at that, there's no first line revenue. So revenue recognition is a different item. But as you know in our cash flow statement, there's a \$20 million deposit. And what I think it points to is the fact that we're progressing in pre-engineering services and technology licensing, we're progressing towards deployment of our SMR modules, which is really the prize for us.

**Marc Gregory Bianchi**

*TD Cowen, Research Division*

Yes, indeed, it is. The other one I had was just on the FEED study with RoPower. So we got that document, and it looks like kind of the timeline there would have you with a Class 3 estimate in June of '25, if I've kind of worked it out properly. Is that -- should we be expecting any kind of an update around that time? Will we see -- will we get any kind of indication of how the cost is looking for the project? Is that a milestone where I think back to the experience with UAMPS, the costs were changing and that ended up being something that got a lot of attention. Is there going to be some kind of an update related to that with this project? Or is it an entirely different process?

**John L. Hopkins**

*President & CEO*

Well, it's a different process, Marc. I'm sorry. It's a different process. I was on the phone today with the CEO of SNN. And on CFPP, as you recall, those customers had the opportunity to opt in and opt out from a subscription. That's not in play here. We will keep you involved. We -- right now, as I said, we are the subcontractor to Fluor Corporation, who's a prime. The FEED process is about a 12- to 14-month duration, at which time that Fluor and us were looking at developing the estimates to a Class 3 and also helping RoPower on the regulatory front. And then the final investment decision will be made in about a year's time frame from today. But yes, we will keep you apprised as we move forward.

**Operator**

The next question comes from Leanne Hayden with Canaccord Genuity.

**Leanne Hayden**

*Canaccord Genuity Corp., Research Division*

Just the first one from me. Given higher enrichment fuel momentum, government incentives and the recent hyperscaler commitments and the fuel that they intend to use, I'm wondering about your module fuel flexibility, i.e., could you use LEU+ or HALEU fuel to drive higher power output per module?

**John L. Hopkins**

*President & CEO*

Great question. I'll have Clayton, who came out of 40 years with Framatome. Clayton?

**Clayton Scott**

*Chief Commercial Officer*

Yes. So we could use a higher blend to extend. However, where we're sitting today in our enrichment, we're comfortable to deliver a 21- to 24-month cycle. At this point in time, we don't necessarily see where we would want to go any higher based on the current design that we have certified. So we don't expect for this particular SMR design to go into the higher enrichments that you typically see in the Gen IVs with the higher levels of HALEU.

**Leanne Hayden**

*Canaccord Genuity Corp., Research Division*

Understood. Just following up on that, do you think if you were to increase the uranium-235 enrichment in your fuel, that it would have any impact in your passive safety mechanism and smaller EPZ?

**Clayton Scott**

*Chief Commercial Officer*

Somewhat. But I think the limits that we've certified and projected, we're maintaining that EPZ, and we're trying to -- we don't want to exceed those boundaries. And again, it doesn't really make sense for our design based on current PWR and fuel supply that we're using to really go there. It's just at this point in time, it's -- the way we're certified, the way we're established, it fits our parameters. So could you do it technically? Yes. But it has impacts on the overall design that we don't think are beneficial for our particular plant, the way we have it certified today and the way we anticipate using it in the market.

**John L. Hopkins**

*President & CEO*

I think the other answer is we -- that fuel is readily available. I mean Framatome is manufacturing fuel in Richland, and we don't see -- unlike high assay or HALEU fuel that still has to be manufactured, has to go through the licensing process. Fuel is not an issue for us because the 440 reactors around the world where advanced or light-water reactors are using similar fuel.

**Operator**

The next question comes from Max Hopkins with CLSA.

**Maxwell Ayers Hopkins**

*CLSA Limited, Research Division*

So the question, I don't know if you can provide clarity, but on this Department of Energy \$800 million light-water reactor program, is that -- obviously, there's the developers, the EPCs, the power plant. To bring that forward, do you guys need to sign a deal and then bid? Or can you attract a deal and then with the Department of Energy put together the team? How is that looking?

**John L. Hopkins**

*President & CEO*

No, you have to put together -- it's a cost share program. So whomever our partner is, a utility or an industrial, we would, in fact, put that team together, and it would be a competitive process. Clayton, you're chasing that. Anything to add?

**Clayton Scott**

*Chief Commercial Officer*

No. I mean it's -- to your point, it's putting a team together and submitting an application to which DOE will review all the different applicants and decide based on a lot of different parameters how they want to perceive whether that's a single-funded project or a dual-funded project. But yes, it's a combination of applications, combinations of different partners and different projects that they'll evaluate overall.

**Maxwell Ayers Hopkins**

*CLSA Limited, Research Division*

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Okay. And then one more, if you don't mind. Obviously, there's all the data centers talking about needing the power now, and SMRs are years away at this point. Doesn't that lend itself to natural gas development right now? Is that fair to say?

**John L. Hopkins**  
*President & CEO*

It could. I don't see natural gas going anywhere. And -- but if you look at the commitments that these Tier 1 AIs have made in decarbonization, looking at 2030 or 2040, it's tough to deal with when you're dealing with natural gas, but natural gas is an option.

**Operator**

The next question comes from Ryan Pfingst with B. Riley Securities.

**Ryan James Pfingst**  
*B. Riley Securities, Inc., Research Division*

The first one, with the uprate approval expected in the middle of next year, can you just remind us, is that specifically for the 6-module design? And if it is, what's your expectation for getting approval for the 12-module design in terms of NRC-related costs or timelines there, given you already have the work done with the 6?

**John L. Hopkins**  
*President & CEO*

Clayton.

**Clayton Scott**  
*Chief Commercial Officer*

Yes, so there's elements that are related to 6, but there's also elements within the uprate that apply to 12. And basically, when we do our first 12-module site, independent of the uprate because the uprate is more specific around the module, we'll do a site-specific license based on a 12-module site and whatever site parameters we have to evaluate.

**Ryan James Pfingst**  
*B. Riley Securities, Inc., Research Division*

Got it. And then, John, in the prepared remarks, you talked about it a little bit with the change of administration and nuclear has garnered really strong bipartisan support. But do you see kind of stronger support from a Trump administration and new programs given the Republican sweep that you might not have seen from the last administration?

**John L. Hopkins**  
*President & CEO*

It's really too early to say. I think if Vice President Harris administration had got in, we would have seen probably more regulations. I think with President Trump, we'll see trying to curtail and have less regulations. I do happen to know that having had a conversation with him previously in his last year, he was very pro-nuclear. And I'll leave it at that.

If you think about what we constantly hear, it's about competition with state-owned enterprises in the international market. And for that to happen, we get -- we have to have American technologies deployed and operational. So we're very hopeful. We'll see who this current President puts around him, which I think is absolutely key. And -- but we're very -- I'm hopeful that the answer is going to be absolutely, we will see an acceleration in advanced nuclear.

**Operator**

This concludes the question-and-answer session. I'll turn the call to CEO, John Hopkins, for closing remarks.

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**John L. Hopkins**

*President & CEO*

Yes. Thank you, operator. As we've been talking, nuclear technology is poised to play a critical role in powering the global clean energy transition. We've already discussed numerous examples of technology companies with data centers to support moving decisively to secure reliable carbon-free nuclear energy. And in this environment, we do truly believe NuScale is well positioned to commercialize our technology. Our SMR, as we said, has been certified by the U.S. Nuclear Regulatory Commission. We maintain industry-leading manufacturing readiness. And along with our global partner, ENTRA1, we are executing on a robust project development pipeline and we're very pleased with our progress and look forward to reaching our goals.

And with that, I'd like to thank everybody on the call who has the interest in NuScale and participated today. Thank you.

**Operator**

This concludes today's conference call. Thank you for joining. You may now disconnect.

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