Call Participants

EXECUTIVES

John Hopkins
President & CEO

Ramsey Hamady
Chief Financial Officer

Clayton Scott
Chief Commercial Officer

Scott Kozak
Director of Investor Relations

ANALYSTS

James Kennedy
Guggenheim Securities, LLC

Marc Bianchi
TD Cowen

Ryan Pfingst
B. Riley Securities, Inc.

Presentation

Operator

Good afternoon, and welcome to NuScale's Third Quarter 2023 Earnings Results Conference Call. Today's call is being recorded. After management's prepared remarks, there will be a question-and-answer session. [Operator Instructions]. A replay of today's conference call will be available and accessible on NuScale's website at 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

Thanks, operator. Welcome to NuScale's Third Quarter 2023 Earnings Results Conference Call. With us today are John Hopkins, President and Chief Executive Officer; and Ramsey Hamady, NuScale's Chief Financial Officer.

On today's call, NuScale will provide an update on our business, including our continued progress toward commercializing NuScale's SMR technology, both with current and new customers. Following, we will provide an update on the decision to terminate the carbon-free power project and conclude the call by discussing financial results and outlook. We will then open up 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 on Slide 2, the information set forth in the presentation we 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 SEC filings on Form S-1 and Form 10-Q.

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

John Hopkins
President & CEO

Thank you, Scott, and good afternoon, everyone. Our industry-leading position in the SMR space continues to grow. Our pipeline is stronger than ever, and we are nearing a realization of commitment to deliver reliable clean energy at scale. We're looking forward to speaking with you about our announcement with Standard Power and will also provide an update on the decision to terminate work under CFPP, a decade-long partnership, which, despite commercial challenges, achieved numerous successes that I will discuss later.

Now to begin, as you'll see on Slide 3, we have invested more than $1.8 billion to build sustainable competitive advantages in technology, regulatory approvals, supply chain and manufacturing readiness, all of which brings tremendous credibility to our business development pipeline. NuScale’s advanced stage of development has derisked nuclear energy for our customers. While establishing a first-mover leadership position that supports our near-term commercialization efforts.

Next, on Slide 4, I'll provide an overview of our strategy. We are advancing our technology and supply chain readiness through comprehensive manufacturing trials and other measures. NuScale is focused on deploying our SMR modules and are poised to expand into new markets, applications and capabilities.

Over the last year, we have taken important steps to commercialize our SMR technology. A key step was forming a strategic partnership with ENTRA1 Energy, an independent energy transition platform backed by a highly capable team with significant energy and infrastructure experience. Importantly, ENTRA1 supports our vision for wide-scale deployment of NuScale SMRs. Through this partnership, ENTRA1 will develop,

manage, own and operate a portfolio of energy plants powered by NuScale SMR technology approved by the U.S. Nuclear Regulatory Commission, or NRC.

As detailed on Slide 5, this relationship enables a business model, which is transformational for NuScale and is important to the success of our commercialization efforts. Let me take a moment to explain the structure of our industry and the profound impact of this relationship. Utilities, industrials, technology companies, U.S. states and international sovereigns are looking to support their 2050 net zero commitments, either by purchasing power or building non-greenhouse gas emitting power plants.

NuScale does not sell power, and we're not in the business of building power plants. Whether we are in an original equipment designer of a U.S. NRC approved technology. We oversee the manufacturing of the equipment that we designed and provide that to our customer or a plant constructor. ENTRA1 serves as a project developer and brings together the total package consisting of our technology with their construction, financing, operation and ownership. This is what many of our customers want and the level of interest in our technology has never been higher.

As shown on Slide 6, on October 6, we were pleased to announce an early milestone in this business development relationship. Standard Power, a provider of infrastructure as a service to advanced data processing companies in partnership with ENTRA1 announced its plans to develop two NuScale VOYGR-12 power plants that will together produce nearly 2 gigawatts of clean carbon-free energy.

The facilities will be located in Ohio and Pennsylvania. These projects will power nearby data centers and represent a significant economic boost for their respective communities. We're delighted with this partnership as it will serve as a model to be considered by other data center operators as their customers increasingly demand at these facilities rely on reliable and resilient clean energy.

NuScale scope and supply for the standard power project will be provided 24 modules, 12 per plant and other nuclear equipment to collectively produce nearly 2 gigawatts of clean energy for Standards Power's data centers. These projects will be located alongside existing power generation infrastructure with access to a skilled workforce, accessible to navigable waterways and other site features favorable to realize reduced construction costs.

The economics of the VOYGR-12 generating facility are improved in comparison to the VOYGR-6 facility from an economies of scale perspective. And while one of these early tasks will be to form a cost estimate for these projects, we are confident economics will be cost competitive compared with other baseload dispatchable energy options.

I want to pause here and set the record straight on recent and irresponsible speculation. Many in our team, myself included, as well as ENTRA1 have worked in power and infrastructure development for decades. We've spoken with hundreds of potential customers. In each case, we spent time and resources, vetting the individuals and organizations we speak with, including standard power and their stakeholders. We are delighted to have been selected as Standard Power's technology of choice.

It's important for the investment community to understand that these projects are complex, involve many partners and significant capital investment. No customer, not UAMPs, not RoPower, not Standard Power, no major utility, industrial or data center player, no customer walks in the door with a blank check and orders a nuclear-power plant. That's just not the way this industry operates. These are multi-year and multi-billion-dollar projects on which regional economies depend.

Discussions among serious responsible parties are detailed, deliberated and staged in their progression. While this is the first collaboration resulting from our commercial partnership with ENTRA1, we expect to replicate this delivery commercial model going forward. We are incredibly proud that the developers and customers are selecting NuScale modules as their technology of choice to power their projects and meet their carbon-free energy objectives.

There is a growing demand for safe, reliable, 24/7 and carbon-free baseload energy and is comprehensive and bespoke financing and development solution can more effectively and more quickly address the full suite of customer needs, accelerating the realization of the tremendous opportunities in our pipeline.

With regard to RoPower, we are advancing into the next stage of development. FEED Phase 1 included more than 23 activities and a contract valued at almost $28 million. This laid a solid foundation for the next contract phase. As a result of FEED Phase 1 work, we received approval for the Romanian regulator from the licensing basis document in support of the RoPower project, a key milestone that will facilitate the implementation of the license process for all stages of NuScale projects in Romania.

In addition, the global public private funding commitments announced in May, including planned commitments from NuScale strategic partners are expected to support procurement of long lead items and Phase 2 Front-End Engineering Design work in the near future. As proposed, Phase 2 FEED work will include site characterization and regulatory analysis and the development of site-specific schedule and budget estimates for project execution. FEED Phase 2 and release of long lead materials position that project for final notice to proceed with plant deployment.

Looking at the progress of NuScale's business development more broadly on Slide 7, the breadth and scale of our domestic and international pipeline is substantial. Potential customers are coming to news deal because our SMR technology remains the only one who have received design approval and certification from the U.S. Nuclear Regulatory Commission. We are ready for near-term deployment and currently produce the NuScale Power Modules, which provide customers with unmatched flexibility for a variety of applications.

Our strategic partnership with ENTRA1 bridges a development cap and many customers who wanted to integrate SMRs in their energy portfolio without developing a power plant project, now have the means to do so. No one in the market offers this today and our nearest competitors are many years behind us. And while we're certainly talking with traditional utilities, our pipeline extends far beyond that. Its data centers, its coal plant repurposing in ammonia production, its hydrogen production, steel producers and industrial heat.

It's the communities across America that want clean energy, and they want jobs, its American allies around the world that seek the security of reliable green energy. The interest we have received is considerable, and we are laser-focused on converting those opportunities to cash-generating contracts. In addition to advancing dialogue with U.S. prospective U.S. customers, we've also been talking to potential customers globally, including in France, Turkey, Morocco, Eastern Europe and the Far East.

For example, in October, NuScale was picked to participate in the next stage of evaluation by the U.K. government. A fast-track measure could result in a government contract within the next 10 months as part of a strategy to deliver operational SMRs by the mid-2030s. We are also continuing to establish NuScale energy exploration centers, or E2 centers, both in the U.S. and abroad. These control room simulators serve as a workforce training and development tool and provide an important opportunity to demonstrate to socialize the advanced safety and reliability of NuScale's SMR technology. Currently, we have established or planned E2 centers in the U.S., Romania and Korea.

Moving on to Slide 8. I want to highlight a few additional updates in the context of our key 2023 milestones. In July, we announced that our standard design approval application was accepted for the review by the U.S. NRC. The NRC provided us with a schedule for an anticipated 24-month review process for obtaining approval for a power upgrade to a 77-megawatt NuScale Power Module, which will support the capacity needs of a wider range of customers. The design reflected in this application includes the same fundamental safety case and features approved by the NRC in 2020, which should expedite the review process.

With regard to manufacturing, as you recall, we placed our first long lead material order with our partner, Doosan Enerbility, in March. Doosan continues to produce forgings in materials associated with the manufacturing of the first NuScale Power Modules, and we are positioned to begin manufacturing our first modules later this year when forgings will be assembled and machined to their final dimensions. We are not aware of another North American SMR vendor that has progressed to the manufacturing phase, and we are excited to continue leading the way for the industry.

We are also tracking to our commercialization program advancement expectations, completing four key milestones under our U.S. Department of Energy cost share award, including a plant protection

system design and completion of the intermediate decide for our reactor vessel internals. We continue to consistently deliver on our milestones in this area, demonstrating our team's ability to effectively execute. The progress made here will benefit all of our future customers.

Now on Slide 9, I will discuss NuScale and Utah Associated Municipal Power Systems', or UAMPS, mutual agreement to terminate the carbon-free power project or CFPP. Let me start by saying at CFPP unequivocally as there've been a tremendous success for NuScale. Through our work with UAMPS in partnership with the U.S. Department of Energy, NuScale successfully developed a detailed Level 3 deployment schedule, prepared and submitted a limited work authorization prepared and ready for submission a combined operation based on NuScale's SMR technology, of which approximately 50% of that application is generic.

And we developed our input to a detailed and comprehensive Level 2 project cost estimate. During this time, we also completed the VOYGR-6 standard plant design, submitted our standard designed approval application for a 6-module plant with a power uprate and received NRC approval for a means to get to a site boundary emergency planning zone. Currently, we are in a fabrication phase of our first 6 modules.

Through our participation with CFPP, NuScale successfully advanced our NuScale Power Modules to the point that utilities, governments and industrials can now rely on a proven small module reactor technology that has regulatory approval is an active production and is ready for commercial deployment. It is NuScale's view the project would have achieved the milestone related to project economic competitiveness.

Despite elevated levels of inflation, price and financing costs and supply chain disruptions that have impacted all infrastructure projects, capital costs for CFPP have not increased between the Class 3 and the current Class 2 estimates when adjusted for inflation. I want to emphasize that point because not only have overall capital costs remain stable, the cost for NuScale's SMR technology, which is just one component of the CFPP have remained steady as well. Our ability to control costs even in challenging economic conditions is a testament to the hard work of our engineering and supply chain teams and our EPC partners at floor.

CFPP targeted 80% subscription for the project by year-end. On our last earnings call, we shared the three ways this target might be achieved. First, by existing CFPP participants increasing their current subscription levels; second, by UAMPS members who are not CFPP participants signing on to the project; and third, by CFPP bringing in additional Western public power utilities, investor-owned utilities and data center operators and industrial customers. Despite significant efforts by both parties to advance the CFPP, it appeared unlikely that the project would have enough subscription to support deployment.

Therefore, UAMPS and NuScale mutually determined that in in the project was the most prudent decision for both parties. Importantly, we are working to ensure a successful transfer of long-lead materials for the next 6 NuScale Power Modules currently under development to be used by another customer. NuScale has established our industry-leading position in large part based on our work with the CFPP. Despite not reaching the subscription levels required for this phase of the project continued to our deployment, CFPP was a tremendous success for our business, and I couldn't be prouder of our team and their accomplishments.

We remain bullish on the future and our agreement with ENTRA1 and Standard Power does not even scratch the surface, so to speak, of demand we see around the world. Looking ahead, we believe our partnership with ENTRA1 derisks future projects for many of the commercial challenges we experienced within CFPP. And we look forward to committing our efforts and resources to productive new business development opportunities such as Standard Power.

In summary, our competitive position is stronger than ever. Our continued world-class technology and IP, operational and regulatory excellence, deep nuclear experience, a highly capable partner and a derisked supplier ecosystem will continue to support our ability to generate long-term value for shareholders.

Now I'll hand it over to Ramsey to provide our financial update. Ramsey?

Ramsey Hamady

Chief Financial Officer

Thank you, John, and hello everyone. Our financial results will be available in our filings. So, my focus will be on explaining major line items, our cost-cutting efforts and the basis of presentation of our third quarter financials. All figures following refer to NuScale's Third Quarter 2023 Results, unless I say otherwise.

First, as recently announced, NuScale and UAMPS have agreed to terminate the CFPP. While this occurred subsequent to the September 30 close, our third quarter financials have been presented to account for this significant event. As I discuss our financial results, I'll highlight key items impacted by the termination of CFPP and discuss our treatment of those items. NuScale generates cash and revenue from 3 sources: the sale and delivery of NuScale Power Modules, or NPMs, and other equipment we have developed, licensing of our technology and services.

Most of our revenue received to date is from licensing of our technology and services for our customers. In the early phases of project development, NuScale generates revenue by supporting a number of project development activities such as citing, licensing and front-end engineering and site-specific design work and project planning. As seen on Slide 10, revenue for the third quarter of 2023 was $7 million.

Research and development costs during the third quarter of $63.7 million increased compared to the same period in the prior year due to NuScale incurring a $35.4 million additional expense resulting from the anticipated termination of the DCRA agreement. Otherwise, third quarter research and development costs would have decreased $6.1 million from the same period in the prior year, consistent with our plan to shift financial resources to sales and commercialization as we pivot from our R&D phase.

Loss for the quarter of $58.3 million was larger than for the same period in the prior year due to the DCRA charge, partially offset by lower compensation costs and an unrealized gain on the value of our warrants. NuScale ended the third quarter with cash of $197 million and no debt. Approximately $79 million of that is restricted cash used as collateral for our letters of credit and $118 million unrestricted cash. Investors will notice the CFPP liability of $34.5 million recorded on our balance sheet, which reflects our estimate of amounts owed to CFPP in relation to net development cost at September 30.

A more nuanced note is in the second quarter asset long-term contract work in process is now identified as long lead material work in process to better reflect the nature of the assets in anticipation of the termination of the contract. We believe that the restricted cash under our letter of credit is in excess of our anticipated termination and demobilization expenses, and the unwinding of CFPP will have a net positive impact on unrestricted cash. We expect that our fourth quarter financials will reflect the final disposition of amounts paid to UAMPS as part of closing our CFPP and remaining cash released to the company from our letters of credit.

During the 9 months period ending September 30, our operating cash flow was negative $110 million. Management remains committed to conserving cash, reducing research and development expenses and administrative overhead and focusing on sales and revenue generating activities. During our fourth quarter earnings call, we expect to detail our work agreement with Standard Power as well as provide 2024 financial guidance.

Apart from our ATM facility, where we realized proceeds of $7.9 million from share sales. We are not currently considering any other public offering or debt financing. As we work diligently to advance through development stages of our current contracts and secure new ones, we will maintain our financial discipline and selectively consider capital raising to sustain a conservative liquidity reserve.

It is well established that there's an urgent need for advanced clean energy solutions that can help meet climate goals while bolstering energy security. NuScale is well positioned to meet this need through the sale and licensing of power plants and supplying NPMs and other equipment and services in connection with these sales. We are pleased with our progress and the steps we are taking towards program commercialization, especially relative to competition.

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

Question and Answer

Operator

[Operator Instructions]. And your first question comes from the line of Marc Bianchi from TD Cowen.

Marc Bianchi
TD Cowen

Maybe, Ramsey, start with you because you were just talking about some of these items related to the UAMPS project and the development cost reimbursable agreement. Of the $79 million of restricted cash, how much would you anticipate going back into unrestricted cash. And my understanding from this previously was that you would be taking ownership of some long lead items and some other things from CFPP, but then you would sell those to another project. Does that need to happen to really get to that net cash balance to the unrestricted cash?

Ramsey Hamady
Chief Financial Officer

Marc, this is Ramsey. It's great to hear from you. And thank you very much for that question. We've been working very hard to come to a release agreement between ourselves and UAMPS in relation to CFPP. As you'll note, we've had $79.2 million of restricted cash on our balance sheet, approximately $77.6 million in real credit commitment, the rest related to fees for the LC.

We expect now as a condition of the release agreement, that we will make a payment to UAMPS of $49.8 million. That covers cost relation to the coal development, EPC and long-lead materials. We also anticipate that we will open a new letter of credit in the amount of $5.1 million, $5 million effective credit commitment. Therefore, of the $79.2 million, we expect that we'll have about $24.3 million released as cash.

Marc, we anticipate that there will be some demobilization costs and other costs, which we may realize most likely actually quarter 1 towards the end of quarter 4, but the near-term impact is $24.3 million release of cash.

Marc Bianchi
TD Cowen

Got it. And of that $49.8 million, is there any netting of that if you're able to sell long lead items into RoPower or something like that? Or what's the dynamic there?

Ramsey Hamady
Chief Financial Officer

We're still working with CFPP and DOE. I think it's a bit early for us to comment. But our intent, most certainly is to take these long-lead materials with we and CFPP and the DOE have invested a lot of money in and employ them as they're meant to be employed; into a new project.

Marc Bianchi
TD Cowen

Yes. Okay. Great. Another one on cash. So, you reiterated your reiterating guidance for cash use this year, which could imply that the cash consumption in fourth quarter, at least at the midpoint, would be similar to what you did in the third. I'm sure you're not ready to talk about `24 in terms of cash use, but maybe if we just think about this run rate right now, if you consumed $18 million in the third quarter, excluding these items with UAMPS that we were just talking about and talking about the go-forward

business, what would that cash flow profile look like? Should it be getting better? Or should it be getting worse and under what circumstances?

Ramsey Hamady
Chief Financial Officer

Sure. Let me answer that in two ways. I think for Q4, as we're heading in, and I'll use a round number here. The real number is $197. But if we're heading in with about $200 million as at the end of September 30, we believe that we should take in about $50 million worth of cash from customers from work that we do. We imagine that we will spend about $50 million and about $50 million will be consumed within that $49 million payment, the $49.8 million payment I mentioned in relation to the release agreement. So, we think fourth quarter will be down from the $197 million to about $147, $150.

In relation to 2024, I want to be clear on something. NuScale has a lot of toggles that we're able to employ to manage our cash flow. This isn't just a fixed expense business. There's variable expense, and there's a lot of discretionary spending. We spend more as we have contracts, and we pull in our spending as contracts either get pushed out or delayed or whether we want to focus more on discretionary spend or nondiscretionary spend.

So, I think that just as a general comment, Marc, and really important here, we feel we're a very good cash position. I want to reiterate something I mentioned in the earlier comments, we're not out in a position to raise cash, and we're not out right now with a public offering. We'll selectively look at it. We're being prudent about our use of capital, and we understand that preserving value for our investors is our utmost priority. So, we feel we're in a very good position.

Marc Bianchi
TD Cowen

Okay. That's helpful. The other one I had is related to Standard Power and ENTRA1. This seems like a great opportunity, but a lot of investors have mentioned that these two entities are very unknown. And when you go to their websites, there's not a whole lot there. If you try to Google them, it doesn't appear that there's a lot of reference out there that at least we can find as outsiders.

So, investors are wondering how capable they are of really getting these projects across the finish line. So maybe you could share a little bit more to the extent you're able to about who these counterparties are and why they should be viewed as strong developers of these projects?

Ramsey Hamady
Chief Financial Officer

Marc, I want to maybe go back to some of the comments that John made earlier in the sense that as a management team, we spend a lot of time vetting potential clients. We spend a lot of time vetting ENTRA1 as a development partner. This is what we do for a living. And we feel strongly that the business model that ENTRA1 has developed has been a great enabler.

That business model has resonated with customers, utilities, industrials and others, and has resulted in a very significant pipeline for us. Standard Power has been speaking to us for over a year. We've vetted them well, and we feel that Standard Power is a great customer for us, and we know that the sites that they're developing are real sites, and we've vetted those as well. I think it's unfortunate that we can't release too much information to the market at this stage, but we expect to in the very near term.

John Hopkins
President & CEO

Yes, Marc, this is John. We have been in discussion with standard power for quite some time. It's just coincidentally that the ENTRA1 also knew those same players and engaged in the process and Standard Power immediately gravitated to the model potentially their offering. So, the discussions are going on right now in the development of the phase. Arguably, you could say should the announcement had been made back on October 6?

But the announcement essentially that, that standard power of the customer elected and chose NuScale's technology is a technology of choice going forward. So, we're in the process right now with ENTRA1,

Standard Power in developing that deal. And hopefully, in the near term, as Ramsey mentioned, we'll be able to bring forth more data to the market.

Operator

And your next question comes from the line of Ryan Pfingst from B. Riley.

Ryan Pfingst
B. Riley Securities, Inc.

So, I was just wondering, when do you expect to complete a project cost estimate for the Standard Power projects? Is that a near-term phenomenon? Or even before we get there, could you give a very early stage estimate of the project cost that we're looking at for those two?

Ramsey Hamady
Chief Financial Officer

Ryan, this is Ramsey. Again, thank you for joining us. Thank you for the questions. It's still a little bit early for us to comment on the structure and the nature of the contract with Standard Power. It's something that we're actively working with. I would mention here that really the customer is ENTRA1 in this relationship. And Clayton Scott, I think we have our Chief Commercial Officer on the line. He may be better positioned to comment on what we have coming down the line just from a timing perspective.

Clayton Scott
Chief Commercial Officer

Thank you, Ramsey and thank you for the question. Yes, as everybody stated, those discussions and those contractual alignments are still being worked. We're in a 90-day period to put those definitive agreements together. So, it will be sometime early in Q1 where we will have a firmer vision on this. If we are in a position to be able to release something sooner, then that's something we'll certainly address. But right now, we're in a place to outline where those are going to lie. But I will say directionally, it's in a much better direction than what we've seen in other projects.

Ramsey Hamady
Chief Financial Officer

Ryan, again, this is Ramsey. I want to remind our analysts and our investor community. Standard Power and ENTRA1 announced NuScale as their technology provider of choice. And that was a great announcement for us. And we know that there have been doubts in the market and we look forward to dispelling those doubts.

We're working very hard to get agreements in place where we can we can show revenue coming. We can show the structure of the agreements, and we can push forward. It’s beat up our stock price and we understand that. And let me assure you that management is working very, very hard to come forward with more information as we're able to support the deal that we have.

Ryan Pfingst
B. Riley Securities, Inc.

Got it. That's helpful. And then turning to CFPP. Obviously, the learnings are very positive and helped the development process for NuScale going forward. But can you talk about the key headwinds a little bit more between the subscription model and the site and maybe some other factors that ultimately didn't lead to that project getting built that you don't expect to face in subsequent projects from here?

John Hopkins
President & CEO

This is John. If you look at the tenure of that project over the years, a lot of great successes came from that project. NuScale was able to get through the rigor of the Nuclear Regulatory Commission. We put together a standard plan design. We've got our COLA submission that was going in January and probably 60% to 70% of that construction operate and license agreement can be moved to another customer. We get the forgings that are ongoing currently with our partner in Doosan, our key supplier. Those are fungible assets.

And we're in discussions with DOE and the owner currently about moving those assets to another customer. So, if you look at what I'd call sunk costs, most of the achievements are going to benefit our next customer. There's some direct site-specific engineering obviously, that won't. But in the totality of it, that was really minimal. There's a site characterization that’s been put up, fencing and doing some volcanic geological assessments for seismic, but the majority will move elsewhere.

Ramsey Hamady
Chief Financial Officer

Maybe to further articulate on this, what are the reasons or the reason that we mutually decided to terminate CFPP was subscriptions. And both NuScale and UAMPS and the DOE have worked very hard to keep this project moving along. And ultimately, subscriptions are something that we're not our control. I think in future projects, we learned from CFPP, we learned from some of the hurdles. We learned from some of the development risks that've come along with that.

And I really think that the model that we have now with ENTRA1 where we step away from the development role and focus on what this business is designed to do, which is sell NuScale Power Modules, license the technology and sell services associated with those. As long as we focus on that, I think we can steer clear some of the pitfalls that we have had previously.

John Hopkins
President & CEO

Yes. A lot of the issues we faced at CFPP are really unique to CFPP such as an issue of subscription. The customer had made it very clear that they had to achieve 80% of their total for this project to move forward. And with all the hard work that went into it, it was just not achievable. So, looking at ongoing costs, we mutually determined it's probably the best thing to collectively move on.

It's the old Dakota Indian, "once you're on a dead horse, you dismount quickly and move on to others", and that's where we are here. So, I'm very proud of the cost accomplishments over the years that we've had with that customer and that project, but business is business.

Ramsey Hamady
Chief Financial Officer

And just to buttress John's earlier point, we anticipate half approximately of the costs that we incurred, the development that incurred the generic development. That moves with us to other projects and that informs our future business. We really made a lot of great accomplishments with CFPP. I think everyone is really very proud despite the fact that we didn't get to the finish line, I think we're all very proud of where we got and what it needs for the business overall.

John Hopkins
President & CEO

I think what's critically important is if you look at the dynamics in the industry right now, the market trends continue. We do have another customer in Romania, RoPower. I've been in discussions with our CEO in this weekend. And that project continues to progress. They're keenly interested and continual be with NuScale is a technology of choice for that project. We continue to get great support from our government.

So, all the indicators, the industrials that we talked before, Jose Reyes, Dr. Reyes has mentioned 17 to 20 industrials have approached us for different areas of either being hydrogen or ammonia or process heat. So, we're not seeing any slowdown in the market. We're reallocating resources. So, we just got to get our next couple of customers in the door and get some firm contracts.

Clayton Scott
Chief Commercial Officer

John, just to add around the demand profile. The exciting thing around standard power in the data centers is that the demand profile is extremely different. It's very robust. The need for reliable available power is extremely important. And the demand value for what they need in order to provide into the market space of AI is far different. So, we anticipate that, that profile and that need is a much different experience than what we're seeing with the subscription model of UAMPS.

Ryan Pfingst
B. Riley Securities, Inc.

Got it. That all makes a lot of sense. Thanks for all that detail. If I can just sneak one last one, and John, you started to talk about it a little bit, but if I'm thinking about the customer pipeline in the near term, maybe what geographic regions or customer types do you think have the best shot of converting into committed customers from the pipeline today?

John Hopkins
President & CEO

Yes, I still believe particularly with coal plant refurbishment requirements within this country, and you know how many coal plants are forecasted to come off-line just by 2030, it's still a very good model. Our ability from a scalability we can offer up to 924 megawatts for coal refurbishment. Overseas is still pretty much the same, heavily driven by energy security needs, particularly Central and Eastern Europe.

One thing we are doing with the limited resources, it's the vetting of the opportunities that is pretty important. It gets into the Class 1. And that's heavily oriented to what's the regulatory framework and where is the funding coming from? I'll be at COP28, I'm looking forward to it. I've been to the last 3 COPs. And I think that's going to be interesting just to hear because you're going to hear a lot more about nuclear coming out of 28.

Operator

Your next question comes from the line of Shar Pourreza from Guggenheim Partners.

James Kennedy
Guggenheim Securities, LLC

It's actually James for Shar. Just a quick follow-up. I just want to come back to some of Ramsey's comments on showing more detail. Can you give us any more color on what you expect to be able to provide with regards to guidance on the 4Q coal? Would it be revenue and expense save points? Or will it just be the cash from ops like to sell this year?

Ramsey Hamady
Chief Financial Officer

Yes, I'm sorry, I didn't hear that very well.

James Kennedy
Guggenheim Securities, LLC

So, you had indicated that you will be able to give some more guidance on the 4Q call. I guess, can you just give us any more color on what you expect to be able to provide? Is it just another year of cash from ops? Is it revenue and expense data points? Just how are you thinking about updating us with the next cycle?

Ramsey Hamady
Chief Financial Officer

I think there's two points on this. I know that I have engaged our analyst community with more qualitative feedback than hard forecasts. I think at the early stage, and at this point of development of our business, we rely on a handful of major contracts as we get moving. I think because of the variability in start timings the work that's involved in early stage, it is a bit difficult to stick to a prediction on future earnings or future revenue.

That being said, I'd like to engage that for 2024. I think on the Q4 call, we'll look to do that. But the preference has been really to focus on cash because I think that accounting treatment for some of the work that we do skews the numbers a little bit. And that's why you'll notice that, as I discussed, I think with Marc Bianchi's question, as I discuss what Q4 looks like are really focused on cash. And I think that's what's important for us now, cash management, conservative cash management being responsible to our investors and bringing cash in from contracts.

And so, it's likely I'll stick with a strong cash view as I engage the analyst community, but I'd like to help people build out their models and build a proper GAAP revenue model as well. So, we'll be doing both. But my focus really is on the cash management and cash flow.

Operator

Thank you. And that is all the time we do have today for Q&A. I will now turn the call back over to NuScale CEO, John Hopkins, for final comments. John?

John Hopkins
President & CEO

Yes. Thank you, operator. Again, as we stated before, NuScale, we believe, is well positioned, and we are a first mover in the SMR space. We are opposed poised to commercialize and deliver clean energy at scale, and our technology is essential to powering a global energy transition and we believe we are at the forefront of that effort, and we will work to deliver safe, scalable and reliable carbon-free nuclear power going forward.

So, I do appreciate everybody's time. Thank you.