

**Letter of Intent
Greenhouse Gas Reduction Plan
for Self-Managed Utility
September 17, 2021**

This Letter of Intent memorializes the intent of the undersigned parties to enter into a greenhouse gas emissions reduction plan by and between **GLOBALFOUNDRIES U.S. 2 LLC (“GF”)**, the **VERMONT DEPARTMENT OF PUBLIC SERVICE (“DPS”)** and the **VERMONT AGENCY OF NATURAL RESOURCES (“ANR”)**.

- 1) Greenhouse Gas Reduction Plan – The proposed terms and conditions for the greenhouse gas emissions reduction plan are set forth in the attached schedule (“**Schedule A**”).
- 2) Agreement/Memorandum of Understanding– The undersigned parties intend to negotiate a definitive agreement (“**MOU**”) reflecting the terms and conditions of Schedule A for execution on or before October 29, 2021.
- 3) Public Utility Commission Approval – The Greenhouse Gas Reduction Plan and the MOU shall be effective only upon and subject to approval of the “Self-Managed Utility” (“**SMU**”) petition before the Vermont Public Utilities Commission (“**PUC**”) under PUC Case 21-1107-PET. Should the parties agree to the MOU, they agree to use their best efforts to secure approval of the petition by the PUC.
- 4) Public Disclosure – The parties agree to keep the PUC and intervenors in PUC Case 21-1107-PET informed regarding the status and progress of the MOU contemplated herein. The parties acknowledge that the negotiations hereunder shall constitute confidential settlement communications. While this Letter of Intent may be disclosed to the public, no other document shared between the parties in the negotiations of the MOU, nor any termination of negotiations relating to the transaction, shall otherwise be publicly disseminated by either party, either by oral or by written disclosure, without the prior approval of the other parties, which approval shall not be unreasonably withheld. Nothing herein shall be construed to prohibit dissemination of a record when required by Vermont’s Public Records Act.
- 5) Non-Binding Agreement - It is understood that this is intended as a Letter of Intent only and while the parties hereto agree in principle to the contents hereof, no party shall have any legal obligation to the others as a result of executing this Letter of Intent which is specifically conditioned upon the preparation, negotiation and execution of formal agreements mutually acceptable to GF, DPS, and ANR. The parties agree to work diligently toward an expeditious execution of such agreements containing the above referenced terms and conditions.

Agreed and Accepted

GLOBALFOUNDRIES U.S. 2 LLC

DocuSigned by:
 By: Glenn Colton
 7FB4639C75A546B
Glenn Colton, VP Integrated Supply Chain

9/20/2021

Date

VERMONT DEPARTMENT OF PUBLIC SERVICE

DocuSigned by:
 By: June E. Tierney
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June E. Tierney, Commissioner

9/21/2021

Date

**VERMONT AGENCY OF NATURAL RESOURCES
Department of Environmental Conservation**

DocuSigned by:
 By: Peter Walke
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Peter Walke, Commissioner

9/20/2021

Date

Schedule A to GLOBALFOUNDRIES U.S. 2 LLC Letter of Intent

GHG Reduction Plan

- “Baseline Year 2005” will be used for measuring progress on greenhouse gas (GHG) reductions
 - (1) EPA Scope 1 Subpart I - Manufacturing process 277,493 MTCO₂e (72.5%)
 - (2) EPA Scope 1 Subpart C - Thermal combustion 48,521 MTCO₂e (12.7%)
 - (3) EPA Scope 2 - Energy supply 56,716 MTCO₂e (14.8%)

Fab 9 Emissions in 2005 382,730 MTCO₂e (100.0%)

- “Milestone Years” for Mandatory Spending Targets and Aspirational Emissions Targets
 - Beginning January 1, 2022, GF will commit to certain levels of spending to achieve GHG reductions
 - Aspirational Target: 26% GHG reduction in 2025 compared to 2005
 - Mandatory Spending: \$13 million
 - \$10M from 2021-2025 for Manufacturing process projects (29,000 MTCO₂e reduction estimate)
 - \$3M from 2022-2024 for energy efficiency projects using the same SMEEP investment principles as today (expected impact TBD)
 - Note: This GHG reduction spending is in addition to GF payments from 2022 to 2026 for
 - low carbon power purchase agreement (PPA) with GMP
 - transition fee to benefit other electric customers (\$16.3 million)
 - If achieved, Fab 9’s relative contribution in 2025 would meet or exceed VT statewide target (see Preliminary Plan below)

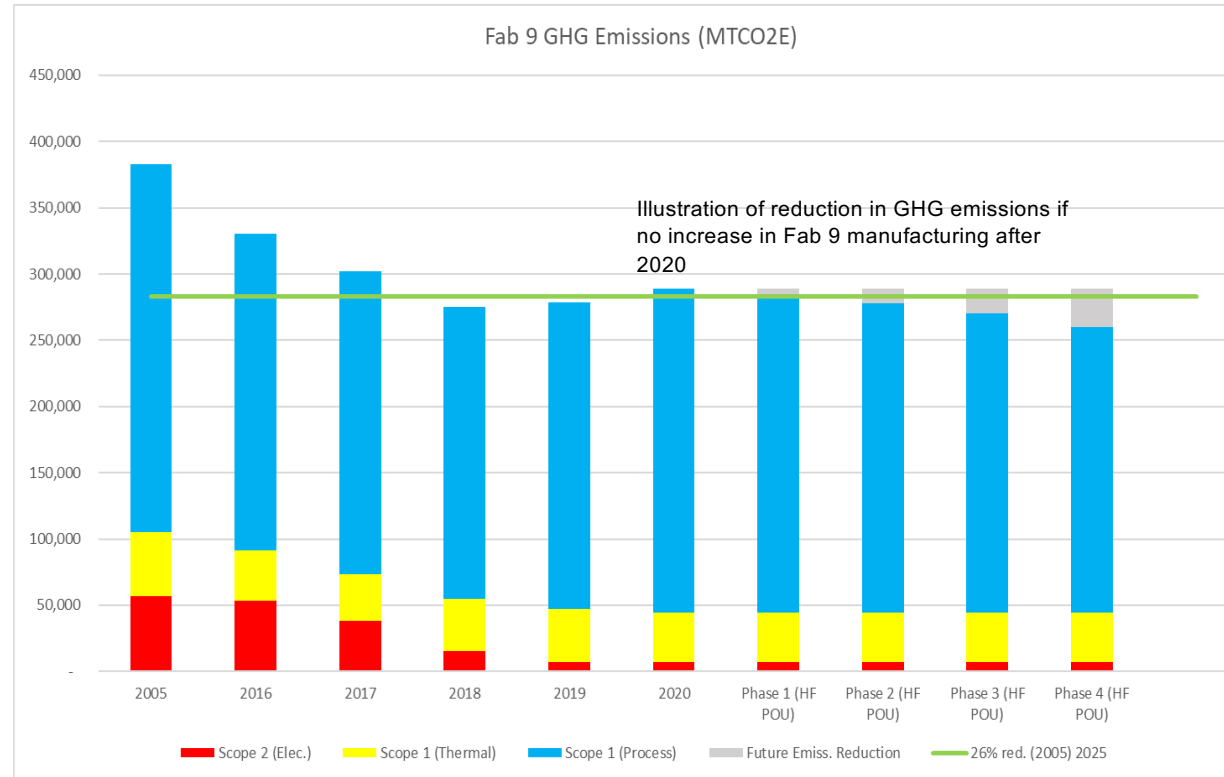


Permissible Projects

for GlobalFoundries to achieve GHG reductions

1. Point of Use Abatement (e.g., 28 Burn Boxes)
2. Energy Efficiency (Thermal and/or Electric)
3. Resource Substitutions (e.g., Chemicals)
4. Low Carbon/No Carbon Electric Power*
 - (a) Solar Power
 - (b) Nuclear Power
 - (c) Wind Power
 - (d) Hydropower
5. Carbon Offset Allowances/ Abatement Credits (no more than 3.3% of total emissions)
6. Other Decarbonization strategies (e.g., on-site battery storage and/or solar installations; contributions to non-profit home weatherization programs)

* retirement of certificates for power delivered within or into New England under the NEPOOL Generation Information System (GIS)



Collaborative Process; Annual Reports

- Objectives for continued collaboration between DPS, ANR and GF
 - Create means for SMU to provide an appropriate level of financial support for
 - Home weatherization programs, a.k.a., fuel tax (NOTE: complete this task by April 2022); and
 - DPS/PUC operations, a.k.a., gross revenue tax or GRT (NOTE: GMP to pay GRT until 2026)
 - Develop a mechanism to adjust emissions targets to allow responsible growth above 2020 levels
 - Set milestones and targets for the GF 2030 plan, by December 2025
 - Continue updating the GF plan every 5 years thereafter

- In setting milestones and targets, give consideration to GWSA* requirements and
 - Cost and Cost-effectiveness
 - Technological feasibility
 - Physical Constraints
 - Changes in manufacturing output or production
 - Other considerations as the parties may agree are appropriate

- Progress Reports to PUC due April 30 of each year, starting April 2022
 - SMU to prepare the reports in consultation with ANR and DPS
 - i) Discuss progress in achieving collaborative process objectives
 - ii) Discuss GHG Reduction projects along with data and calculations for emissions (historical and actual going forward). Data subject to validation by ANR and/or DPS
 - These reports should obviate need to include GF in GWSA rulemaking if reduction plan is achieved. Parties reserve rights regarding current or future rulemaking authority.

* GWSA = Vermont's
Global Warming
Solutions Act

