

SETTLEMENT AGREEMENT

WHEREAS, GPU Nuclear, Inc., Metropolitan Edison Company, Jersey Central Power & Light Company, and Pennsylvania Electric Company (collectively referred to as the “FirstEnergy Companies”) and TMI-2 Solutions, LLC (“TMI-2 Solutions”) (collectively, the “Applicants”) have filed an application to transfer the Possession Only License No. DPR-73 (Docket No. 50-320) for Three Mile Island Nuclear Station, Unit 2 (“TMI-2”) from the FirstEnergy Companies to TMI-2 Solutions (“License Transfer Application”);

WHEREAS, the Applicants have entered into an Asset Purchase and Sale Agreement for the purpose of the transfer of ownership of TMI-2 for decommissioning;

WHEREAS, the Pennsylvania Department of Environmental Protection (“DEP”) filed a Petition for Leave to Intervene and Request for an Extension of Time to File a Hearing Request related to the License Transfer Application with the Nuclear Regulatory Commission (“NRC”) on April 15, 2020;

WHEREAS, an agreement between DEP and the Applicants to address certain matters related to the decommissioning of TMI-2 would help facilitate the TMI-2 decommissioning process; and

WHEREAS, DEP has jurisdiction over non-radiological aspects of the TMI-2 decommissioning process;

THEREFORE, IT IS HEREBY STIPULATED AND AGREED by DEP and the Applicants that:

1. DEP and the Applicants acknowledge and agree that the NRC has jurisdiction over the parties and the subject matter of this Settlement Agreement, and exclusive jurisdiction over

the subject matter of the License Transfer Application and the associated NRC regulations pertaining to the transfer.

2. DEP and TMI-2 Solutions agree that all reports submitted on the NRC's TMI-2 docket, NRC Docket No. 50-320, will be provided in parallel to DEP. By process, federal regulation and statute, security safeguards and personally identifiable information must be redacted, but the reports will otherwise be provided to DEP in unredacted form with regard to confidential proprietary information. DEP commits to maintaining the confidentiality of the information to the same level as the NRC, i.e., all marked documents and information must be protected as confidential/proprietary unless and until publicly released by the NRC ("Confidential Information Handling Requirements").

3. DEP and TMI-2 Solutions agree that although the TMI-2 Solutions management process does not include a formal daily status report, DEP will have a standing invitation to attend the "Plan of the Day" meetings where the weekly schedule is reviewed for the daily activities. The dashboard of information showing the weekly schedule with progress indicators as normally maintained by TMI-2 Solutions will be provided to DEP. Any information provided by TMI-2 Solutions will be subject to Confidential Information Handling Requirements.

4. DEP and TMI-2 Solutions agree that a quarterly report shall be provided to DEP by TMI-2 Solutions with the following information that is suitable for public disclosure: (a) progress on milestones and cleanup; (b) a reasonable breakdown of the quantities of low-level radioactive waste that may be generated during clean-up by classification (including core-fuel debris material, low-level, and greater than Class C waste); (c) any other environmental surveillance gathered; (d) summary of activities completed for the quarter; and (e) summary of

upcoming activities for the next quarter. Information in this quarterly report will be accessible to the public and will be put on DEP's website. A protocol will be agreed upon between TMI-2 Solutions and DEP to ensure a consistent framework of data, status, and milestones is generally published to avoid misunderstanding and avoid confusion of the public. This provision does not preclude TMI-2 Solutions from posting more extensive or additional information on its own platform or website.

5. DEP and TMI-2 Solutions agree that the following financial information shall be provided quarterly to DEP by TMI-2 Solutions: (a) breakdown of project costs to date; (b) accounting of how much is in the decommissioning trust fund account and backup trust account; (c) a breakdown of any material unplanned expenses and a summary of why the funds were spent; and (d) monthly statements for the decommissioning trust fund account and backup trust account if funds are maintained in the backup trust account. Material unplanned expenses will be highlighted in the quarterly submittal with an explanation of the expense. The monthly statements from the trustee will be supplied without modification. All financial information will be subject to Confidential Information Handling Requirements.

6. DEP and TMI-2 Solutions agree that DEP shall reserve the right to conduct its own independent surveys to confirm the radiological characterization and final release surveys performed by TMI-2 Solutions. DEP's independent surveys could include onsite radiological measurements or samples, including split samples with TMI-2 Solutions, to be analyzed offsite. This arrangement is contingent on DEP's utilization of TMI-2 Solutions' or comparable procedures for safety, location, instrumentation, and other variable factors to ensure substantively material comparisons can be made. If any split samples are to be requested, these must be pre-planned in the development of the survey packages. In all cases,

it is understood and agreed that TMI-2 Solutions is solely responsible for radiological characterization of the TMI-2 site and final release surveys and the NRC is the final approving authority for site release and license termination. Nonetheless, TMI-2 Solutions will strive to resolve all discrepancies discovered in a timely manner. This provision does not constitute a waiver or change of position related to the exclusive status of NRC laws and regulations on matters pertaining to radiological safety or related environmental and residual radioactivity limits/impacts. TMI-2 Solutions shall provide DEP with a copy of the final radiological survey release records in parallel with the submission of these records to the NRC.

7. DEP and TMI-2 Solutions agree that the appropriate designated individual(s) from DEP's Bureau of Radiation Protection ("BRP") will be invited to TMI-2 site license transition team meetings and associated activities. If such DEP BRP designated individual does not attend, such meetings shall still take place and any presentation material or official meeting minutes will be available to DEP and subject to Confidential Information Handling Requirements. TMI-2 Solutions further agrees to invite the designated DEP BRP individual to the TMI-2 Decommissioning Nuclear Safety Review Board ("DNSRB") meetings. If such DEP BRP designated individual does not attend, the DNSRB meetings shall still take place and any presentation material or official meeting minutes will be available to DEP and subject to Confidential Information Handling Requirements.

8. DEP and TMI-2 Solutions agree that the terms for the TMI-2 Decommissioning Project Community Advisory Panel charter will be modified by TMI-2 Solutions to conform with any additional criteria that are included in any future NRC guidance document issued to the industry on community advisory panels. TMI-2 Solutions may also implement guidance in line with the NEI Decommissioning Working Group commitments

and recommendations. The Community Advisory Panel shall include a cross section of local community members of the public and government representation, including one representative from TMI-2. Representatives from the DEP and the NRC will have standing invitations to each meeting. It shall meet quarterly, or on an as-needed basis, but no fewer than two (2) times per year and allow time for questions and answers with the public. This panel will allow remote access to meetings to maximize public participation and involvement especially if in-person meetings are prohibited by current public health and social distancing requirements. Additional meetings may be called by the Chairperson. The inaugural Chairperson serves a two-year renewable term, with subsequent Chairpersons elected by a majority vote of Community Advisory Panel members.

9. DEP and TMI-2 Solutions agree that TMI-2 Solutions will provide periodic updates and maintain communications with DEP regarding discussions with the U.S Department of Energy (“DOE”) on the DOE Standard Contract for TMI-2 remaining damaged core material. DEP may also communicate with the federal government, including DOE, to discuss the DOE Standard Contract on its own initiative. DEP will promptly provide TMI-2 Solutions with copies of any communications between DEP and DOE regarding the DOE Standard Contract for TMI-2. DEP and TMI-2 Solutions agree that DEP will not seek to participate in any litigation related to the DOE Standard Contract for TMI-2, without providing prior notice to TMI-2 Solutions.

10. DEP and TMI-2 Solutions agree that TMI-2 Solutions will provide DEP with proof of the following insurance policies as of the time of closing of the transfer: the Facility Form nuclear liability policy maintained as required by 10 CFR Part 140; and the Nuclear Electric Insurance Limited on-site property damage insurance policy maintained as required by

10 CFR 50.54(w). When issued by the NRC, TMI-2 Solutions further agrees to provide DEP with a copy of the amendment to the NRC indemnity agreement required under 10 CFR Part 140.

11. This Settlement Agreement does not resolve matters not raised by DEP or the Applicants or otherwise not addressed herein. DEP and the Applicants reserve the right to enforce and seek relief of this Settlement Agreement under any applicable law and regulation. DEP and the Applicants stipulate that the U.S. District Court for the Middle District of Pennsylvania has jurisdiction over the subject matter of this Settlement Agreement and over each of the parties hereto.

12. DEP agrees that it will, contemporaneous with entry into this Settlement Agreement, file to withdraw its pending petition to intervene and request for hearing before the NRC on the proposed license transfer and not refile any similar request or pleading before the NRC or any other authority on the proposed license transfer. Nothing in this Settlement Agreement shall infringe any rights of DEP to challenge in the future the decommissioning plan for TMI-2 or the adequacy of the decommissioning funding for TMI-2, including by submitting a request for NRC enforcement action pursuant to 10 CFR 2.206. Nothing in this Settlement Agreement shall infringe any right of TMI-2 Solutions to defend against any challenges to the decommissioning plan for TMI-2 or the adequacy of TMI-2's decommissioning funding, including on the basis of the exclusive status of the NRC's laws and regulations on matters pertaining to radiological safety or related environmental and residual radioactivity limits/impacts.

13. All parties hereto agree to exercise due diligence in the performance of their various responsibilities under this Settlement Agreement and to cooperate with each other in carrying out its intent.

14. This Settlement Agreement supersedes all prior representations, negotiations, and understandings of the parties hereto, whether oral or written, and constitutes the entire agreement between the parties with respect to the matter hereof. It is expressly understood, however, that nothing in this Settlement Agreement shall prevent or excuse TMI-2 Solutions from fulfilling any legal or statutory requirement of the NRC, or its successors.

15. All parties agree that if any term, section, provision or portion of this Settlement Agreement is subsequently held invalid or unconstitutional by any court of competent jurisdiction, the remaining terms, sections, provisions and portions of this Settlement Agreement shall remain in full force and effect and the parties shall negotiate in good faith to achieve the purposes of the invalid or unconstitutional provision by other lawful means.

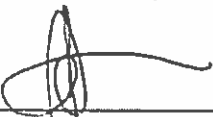
16. This Settlement Agreement shall be binding upon the parties' successors, assigns, representatives, employees, agents, partners, subsidiaries, and affiliates.

17. DEP and the Applicants expressly waive the right to challenge, contest the validity of, or seek judicial review of any order entered as a result of this Settlement Agreement so long as such order is fully consistent with each provision of this Settlement Agreement.

18. A facsimile, telecopy, portable document format (.pdf) or any other reproduction of this Settlement Agreement may be executed by the parties, including by means of an electronic signature or other format, and an executed copy of this Settlement Agreement may be delivered by the parties by facsimile, portable document format (.pdf) or other electronic transmission means pursuant to which the signature of or on behalf of the parties can be seen, and such

execution and delivery shall be considered valid, binding and effective for all purposes. Each party agrees that the electronic signatures of the parties included in this Settlement Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures.

IN WITNESS WHEREOF DEP, TMI-2 Solutions and the FirstEnergy Companies have caused this Settlement Agreement to be executed by their duly authorized representatives on this 10th day of August 2020.



John T. Sauger
President and Chief Nuclear Officer
TMI-2 Solutions, LLC

/s/ Patrick McDonnell
Patrick McDonnell
Secretary
Commonwealth of Pennsylvania
Department of Environmental Protection

/s/ Gregory H. Halnon
Gregory H. Halnon
President and Chief Nuclear Officer
GPU Nuclear, Inc.

/s/ Samuel L. Belcher
Samuel L. Belcher
President
Metropolitan Edison Company

/s/ Samuel L. Belcher
Samuel L. Belcher
President
Pennsylvania Electric Company

/s/ James V. Fakult
James V. Fakult
President
Jersey Central Power & Light Company