SUPPLEMENTAL ENERGY PLAN
SUBMITTED TO THE KENTUCKY ENERGY AND ENVIRONMENT CABINET
Justified DataPower LLC, a subsidiary of TeraWulf Inc.

Pursuant to Governor Beshear's August 6, 2026 Executive Order 2026-494, Justified DataPower LLC, a subsidiary of TeraWulf Inc. ("TeraWulf" or "Justified DataPower") submits this Supplemental Energy Plan to the Kentucky Energy and Environment Cabinet ("EEC") demonstrating that 1) its data center project being constructed in Hawesville, Kentucky will protect residential ratepayers, including assurances it can meet its energy needs now, into the near term, and long term without imposing additional costs on other utility ratepayers; 2) it commits to paying its full and fair share of state and local taxes, especially those for local communities and schools; and 3) it commits to continue its engagement in public discussions with local community leaders and members in Hancock County, addressing with full transparency the community's questions, including how TeraWulf will create local job opportunities.

BACKGROUND

On March 20, 2026, Big Rivers Electric Corporation ("Big Rivers"), Kenergy Corp. ("Kenergy"), and TeraWulf entered into an Agreement for Electric Service ("Agreement") to supply the electric requirements of a 482 MW data center currently being constructed in Hawesville, Kentucky. (Agreement is attached). Big Rivers is a rural electric cooperative corporation that owns and operates electric generation and transmission facilities and provides electric power and energy to its distribution cooperative owner-members. Kenergy is an owner-member of Big Rivers and is a rural electric cooperative corporation that owns and operates electric distribution facilities and is the exclusive provider of electric service to its members at

retail within its certified service territory.[1] TeraWulf is a Nasdaq-listed company that owns and operates next-generation digital infrastructure for hyperscale high-performance computing. The Agreement is pending review and approval by the Kentucky Public Service Commission ("Commission") in Case No. 2026-00115.

The TeraWulf data center is being constructed at the site of a retired aluminum smelter previously operated by Century Aluminum. The smelter ceased operations in 2022 resulting in the loss of over 600 local jobs, as well as the loss of significant transmission revenue to Big Rivers. The lost transmission revenue to Big Rivers to date is approximately $40 million. The existing transmission infrastructure at the site is being repurposed to serve Justified DataPower. All necessary transmission upgrades will be paid for by TeraWulf.[2]

TeraWulf's estimated cost to construct the data center buildings and permanent site infrastructure is $3.5-$4.0 billion. On July 6, 2026, TeraWulf announced a 20-year lease agreement with Anthropic for the Hawesville data center. The compute infrastructure (e.g., server racks) will be funded by Anthropic at a cost of approximately $10 billion.

An estimated 800-1,000 full-time construction jobs are expected to build out the data center. Once complete, TeraWulf will have approximately 95 full-time employees. Anthropic will have additional employees.

[1] Big Rivers and Kenergy have an obligation under Kentucky law to provide electric service to customers located in their certified service territories. See KRS 278.030(1) (requiring utilities to furnish adequate service) and KRS 278.160; see also 807 KAR 5:006 (governing service obligations).

[2] Agreement at Section 2.08.

THE AGREEMENT FOR ELECTRIC SERVICE

The Agreement has a 15-year Initial Term with five-year rolling extensions.[3] Under the Agreement, Big Rivers will procure wholesale energy and capacity to serve the data center from the Midcontinent Independent System Operator ("MISO").[4] No Big Rivers' generation will serve the data center. By sourcing power from the MISO market, not from Big Rivers' native load power supply (e.g., Wilson, Green, and SEPA), the generation to supply TeraWulf in the near-term, medium-term and long-term will be satisfied without imposing additional costs on other ratepayers.

The MISO energy and capacity costs will be passed through dollar-for-dollar to TeraWulf.[5] The data center shall incur all MISO market energy and capacity risks and shall be responsible for all costs associated with Big Rivers obtaining, transmitting, and delivering capacity and energy necessary for service to the data center.[6] All MISO market risks are on the data center for the full term of the Agreement. Justified DataPower will not be subsidized directly or indirectly by the member-owners of Kenergy or Big Rivers.[7]

The Agreement provides strong credit support for the benefit of Big Rivers and Kenergy. TeraWulf must either prepay or provide and maintain credit support for Big Rivers' capacity payment obligation to MISO.[8] TeraWulf must provide credit support equal to two times the estimated highest monthly bill.[9] The Agreement also has an Emergency Billing provision that

[3] Agreement at Section 12.01.
[4] Agreement at Section 1.01.
[5] Agreement, Exhibit A (Rates).
[6] Agreement, Exhibit A (Rates) at Section (A)(10).
[7] Id.
[8] Agreement at Section 3.04(a).
[9] Agreement at Section 3.04(b).

allows Big Rivers to invoice daily if outstanding bills exceed the credit support, which must be paid by the data center the following business day.[10]

The Agreement gives Big Rivers and Kenergy the right to curtail the data center's load before any non-interruptible load to resolve local voltage issues, to preserve system integrity, to comply with MISO rules or directives, or in the event MISO declares an Energy Emergency Alert ("EEA") Level 3.[11] If MISO directs Big Rivers to curtail load due to an EEA Level 3 event, then TeraWulf will be curtailed before any Rural Load.[12]

The Agreement includes significant wholesale and distribution adders.[13] At a load of 482 MW, the Big Rivers adder will start at more than $15 million annually. The Kenergy adder will start at more than $1 million annually.[14] Both adders escalate after three years.[15] The Kenergy adder will defer the need for distribution rate increases or will otherwise be used for the benefit of ratepayers. TeraWulf will also pay Big Rivers a transmission charge pursuant to Big Rivers' federally-approved Open Access Transmission Tariff ("OATT") of more than $10 million per year.[16] Since the aluminum smelter closed in 2022, Big Rivers has not received this transmission revenue. The lost transmission revenue since 2022 is approximately $40 million.

The Big Rivers adder and new transmission revenue will directly benefit all ratepayers through Big Rivers' Member Rate Stability Mechanism ("MRSM"), under which 60% of Big Rivers' margins in excess of the margin required to achieve its Commission approved TIER of 1.30 are used to pay down regulatory assets (amounts owed to the utility by ratepayers) and the

[10] Agreement at Section 3.03(b).
[11] Agreement at Section 2.12.
[12] Id.
[13] Agreement, Exhibit A (Rates) at Section (A)(3).
[14] Id.
[15] Id.
[16] Agreement, Exhibit A (Rates) at Section (A)(6).

remaining 40% is credited to all ratepayers through bill credits (e.g., rate reductions). TeraWulf is not eligible for any MRSM credits.

The rate structure under the Agreement, where the data center pays all MISO capacity and energy costs, pays Big Rivers more than $10 million annually for transmission service and for all transmission upgrades, and pays adders beginning at more than $16 million annually, means that the incremental revenue under the Agreement will greatly exceed the incremental cost to serve the new load. This means that Big Rivers and Kenergy will receive far more revenue from TeraWulf than it costs to serve the data center.

The local school district imposes a 3% utility gross receipts tax on electricity purchases. At full operations of 482 MW, TeraWulf currently estimates that this tax will generate approximately $7 million annually, based on current assumptions regarding MISO market pricing. The Commonwealth's 6% sales tax on electricity purchases is similarly estimated to generate approximately $14 million annually at full operations.

TeraWulf will also pay applicable state property and income taxes, although those amounts are more difficult to estimate because they depend on assessed values, taxable income and other variables. At the local level, TeraWulf will pay property taxes supporting Hancock County Schools, Hancock County, the Hancock County Health District and the Hancock County Library District. These local property taxes are currently estimated to exceed $15 million during the first full year of operations. Together with the utility gross receipts tax, the project is therefore expected to generate more than $22 million in local tax revenue during that year.

Based on current assumptions, the project is expected to generate more than $1 billion in aggregate state and local tax revenue over the 20-year Anthropic lease term. These estimates represent TeraWulf's best current projections. Actual tax revenues will vary based on factors

including but not limited to: energy and capacity prices, power consumption, assessed property values, taxable income, equipment depreciation, applicable tax rates, and changes in law.

SUMMARY

The Agreement was carefully structured to protect existing ratepayers from incremental costs and allocate the project's energy, capacity, transmission, upgrade and credit risks to Justified DataPower. TeraWulf is committed to invest billions of dollars in Kentucky to construct a state-of-the-art data center which will provide significant economic benefits to Hancock County and its school system. The Agreement and supporting Commission record meet or exceed all of the requirements of Governor Beshear's Executive Order, and no modification to the Agreement is necessary.

RATEPAYER PROTECTION

The Agreement is structured so that ratepayers are protected from all MISO energy and capacity market risks.[17] Ratepayers are also protected by the strong security provisions in the Agreement.[18] From a reliability perspective, in an emergency situation, the data center must shed load before any Rural load is curtailed.[19] TeraWulf will pay an adder to Big Rivers of more than $15 million annually, which escalates after three years.[20] TeraWulf will also pay Big Rivers a transmission rate of more than $10 million per year.[21] These incremental revenues to Big Rivers will reduce regulatory assets and fund bill credits (e.g., rate reductions) through the MRSM mechanism. TeraWulf will also pay Kenergy an adder of more than $1 million per year,

[17] Agreement, Exhibit A (Rates) at Section (A)(10).
[18] Agreement at Section 3.04.
[19] Agreement at Section 2.12.
[20] Agreement, Exhibit A (Rates) at Section (A)(3)(a).
[21] Agreement, Exhibit A (Rates) at Section (A)(6).

which escalates after three years.[22] This Kenergy adder will be used to defer the need for future rate cases or otherwise be used for the benefit of ratepayers.

Neither Big Rivers nor Kenergy will make any new investment to supply the project that is not directly reimbursed by TeraWulf.[23] The incremental revenue to the utilities will far exceed their incremental cost to serve.

Big Rivers will procure the project's energy and capacity requirements through MISO rather than from resources serving the existing members. All associated market costs and risks will be passed through to Justified DataPower.

In the Commission Agreement approval case (Case No. 2026-00115), Big Rivers, Kenergy and TeraWulf responded to two rounds of Data Requests from the Commission Staff and the Attorney General. Those Responses were verified by affidavit. Those Responses serve as part of the factual basis for this Energy Plan.

In its Response to Attorney General Item 1, Set One, Big Rivers explained in detail all of the benefits ratepayers will receive under the Agreement:

> *"The Agreement would produce substantial incremental revenues for Big Rivers and Kenergy, monetize currently underutilized transmission assets, provide direct financial benefits to existing member-consumers, provide system reliability protection, and does so under a structure that avoids market risk, credit risk, and cost shifting.*
>
> *Big Rivers estimates that the wholesale adders alone will generate more than $15 million annually. These adders are tied to billing demand and are not dependent on energy market outcomes, which makes them a stable and predictable source of margin. For Kenergy, distribution-level adders that are expected to exceed $1 million annually.*
>
> *The Agreement will allow Big Rivers to monetize approximately 482 MW of transmission capacity serving the Hawesville site. This is the same transmission infrastructure that was previously dedicated to the Century aluminum smelter and has been significantly underutilized since that facility ceased operations in 2022. Under the Agreement, the Customer will take service under Big Rivers' Attachment O to the MISO-Open Access Transmission Tariff and pay the applicable transmission charges based on its reserved*

[22] Agreement, Exhibit A (Rates) at Section (A)(3)(b).

[23] Agreement at Section 2.08.

capacity. Big Rivers estimates that this will result in transmission revenues exceeding $10 million in the first year. This represents a direct monetization of existing infrastructure that otherwise could remain underutilized.

From the perspective of existing ratepayers, the Agreement provides both direct and indirect benefits. Directly, a portion of the incremental margins generated by the Agreement will flow back to Members through Big Rivers' Member Rate Stability Mechanism ("MRSM"). Under that mechanism, once the 1.30 TIER threshold is achieved, 60% of excess margins are used to reduce regulatory assets, and the remaining 40% are returned to member-consumers through bill credits. As a result, existing customers will share in the financial upside created by the Agreement.

Equally important is what the Agreement does not do. It does not require existing member-ratepayers to subsidize the Customer in any way. The Agreement expressly provides that the Customer is responsible for all costs associated with its service, including energy, capacity, transmission, congestion, and other market charges. This structure eliminates cost shifting and ensures that existing customers are not adversely affected.

The Agreement also improves the utilization of existing transmission assets. Following the closure of the Century smelter, a significant amount of infrastructure remained in place but underutilized. By restoring a large load at that location, the Agreement increases system utilization and reduces the risk that those costs would otherwise need to be recovered through base rates.

Finally, the Agreement contains provisions that protect system reliability for existing ratepayers. In certain emergency conditions, including MISO Energy Emergency Alert Level 3 events, this customer is first in line to be asked to cut back on electricity use. This ensures that existing member-consumers are protected and continue to receive reliable service."

In its Response to Attorney General Item 2, Set One, Big Rivers explained all of the risk protections for ratepayers included in the Agreement, including: 1) Market and Pricing Risk; 2) Credit and Nonpayment Risk; 3) Load Underperformance Risk; 4) Stranded Infrastructure Risk; 5) Operational and Reliability Risk; and 6) Counterparty and Long-Term Performance Risk:

"The proposed Agreement is structured to shift the financial risks typical of serving a large industrial load to the Customer (TeraWulf) and includes multiple protections designed to prevent cost shifting to existing ratepayers. These typical risks are identified below, along with a description of how the Agreement is structured to allocate or mitigate those risks.

Additionally, Big Rivers' responses to Item Nos.1(d) and (e), 2(c), 3, 4, and 16 of Commission Staff's First Request for Information provide additional details.

(1) Market and Pricing Risk. Potential volatility in energy and capacity prices in the MISO markets presents a risk of increased billing amounts. However, this risk is borne by the Customer, as the Agreement provides for a pass-through of all energy and capacity costs.

(2) Credit and Nonpayment Risk. There is a risk of nonpayment given the magnitude of the Customer's potential monthly invoices. This risk is mitigated through robust credit support requirements, including collateral equal to two times the estimated highest monthly bill, prepayment or collateral for annual capacity obligations, and emergency billing provisions requiring daily payment when exposure exceeds posted collateral. These provisions substantially limit the potential for uncollectible balances.

(3) Load Underperformance Risk. If the Customer's load materially underperforms projections, there is a potential reduction in volumetric revenues. This risk is mitigated by several features of the Agreement, including minimum billing constructs, fixed demand-based charges, and contractual obligations tied to reserved capacity. In addition, the escalating Wholesale Demand Adder increases on a per-kilowatt basis as load decreases, helping to preserve revenue sufficiency.

(4) Stranded Infrastructure Risk. There is a risk that transmission or system investments could become underutilized. This risk is limited because the project leverages substantial existing infrastructure previously constructed to serve the Century facility. To the extent upgrades are required, the Customer is responsible for those costs. Moreover, the Agreement converts currently underutilized transmission capacity into a revenue-generating asset by requiring the Customer to reserve and pay for that capacity. This represents an improvement over current conditions, where the transmission capacity remains largely unused.

Importantly, revenues generated under the Agreement will contribute to the reduction of existing regulatory assets associated with prior load losses that occurred when the Century smelters left the Big Rivers system. Under the Commission-approved Member Rate Stability Mechanism ("MRSM"), a substantial portion of net margins above a 1.30 TIER is allocated to reduce the balance of Smelter Loss Mitigation regulatory assets. The Commission specifically directed that 60 percent (60%) of such excess margins be used to reduce these regulatory assets, which were established in connection with the loss of smelter loads.

(5) Operational and Reliability Risk. Large, concentrated load introduces operational considerations for system reliability. The Agreement addresses these risks through provisions allowing curtailment, coordination with MISO requirements, and advance planning obligations tied to Capacity Obligations and transmission reservations.

(6) Counterparty and Long-Term Performance Risk. There is inherent risk in relying on a single large customer over a long-term agreement. This risk is mitigated through credit protections, contractually defined obligations, and the ability to enforce remedies, including service interruption and collateral draws, in the event of default.

Quantification (where practicable):

- *Capacity and energy cost exposure: effectively $0 net risk to BREC/Kenergy due to full pass-through structure*
- *Transmission infrastructure risk: minimal incremental exposure, as existing facilities are already in place and upgrades are customer-funded.*
- *Bad debt exposure: limited to short-term exposure between billing and collateral coverage, mitigated by 2x monthly bill credit support and emergency billing."*

In sum, under the Agreement, there will be MRSM bill credits (rate reductions), repayment of regulatory assets and other ratepayer benefits along with protections for existing ratepayers from incremental costs or risks. As non-profit cooperative utilities, Big Rivers and Kenergy have no incentive to subsidize a data center and every incentive to protect their member-owners.

TERAWULF WILL PAY ITS FAIR SHARE OF LOCAL AND SCHOOL TAXES

TeraWulf commits to paying its full and fair share of state and local taxes. TeraWulf will pay all state and local taxes applicable to the project.

The local school district imposes a 3% utility gross receipts tax on electricity purchases. At full operations of 482 MW, TeraWulf currently estimates that this tax will generate approximately $7 million annually, based on current assumptions regarding MISO market pricing. The Commonwealth's 6% sales tax on electricity purchases is similarly estimated to generate approximately $14 million annually at full operations.

TeraWulf will also pay applicable state property and income taxes, although those amounts are more difficult to estimate because they depend on assessed values, taxable income and other variables. At the local level, TeraWulf will pay property taxes supporting Hancock County Schools, Hancock County, the Hancock County Health District and the Hancock County Library District. These local property taxes are currently estimated to exceed $15 million during the first full year of operations. Together with the utility gross receipts tax, the project is therefore expected to generate more than $22 million in local tax revenue during that year.

Based on current assumptions, the project is expected to generate more than $1 billion in aggregate state and local tax revenue over the 20-year Anthropic lease term. These estimates represent TeraWulf's best current projections. Actual tax revenues will vary based on factors

including but not limited to: energy and capacity prices, power consumption, assessed property values, taxable income, equipment depreciation, applicable tax rates, and changes in law.

The investments that TeraWulf and Anthropic will make in Hancock County are massive. TeraWulf will invest $3.5-$4.0 billion, and Anthropic will invest an additional approximately $10 billion. In response to Attorney General Item 10, Set One, TeraWulf affirmed those amounts.

> *"The $3.5 - $4.0 billion figure represents TeraWulf's estimated capital expenditure for the state-of-the-art data center buildings (approximately 370 MW of compute capacity) and permanent site infrastructure, based on an assumed cost of approximately $9.5 - $10.0 million per MW of critical capacity, consistent with the company's experience at Lake Mariner, NY and Abernathy, TX. This estimate excludes the tenant's compute infrastructure (e.g., server racks), which TeraWulf expects will constitute an additional approximately $10 billion investment."*

These investments by TeraWulf and Anthropic are subject to state, county, and school real property taxes and tangible property taxes.

In sum, the school tax on electricity purchases, the state sales tax on electricity purchases, and the state, county, and school real property and tangible property taxes will be important economic drivers for the local community and school system.

BUILD A MEANINGFUL RELATIONSHIP WITH THE COMMUNITY

TeraWulf commits to engaging in public discussions with local community leaders and members in Hancock County and will address the community's questions with full transparency, including how the data center will create local job opportunities.

TeraWulf announced the acquisition of the Hawesville site on February 2, 2026. Just 22 days later, on February 24, 2026, TeraWulf held a local public meeting to discuss the project at the Hancock County Elementary School. The public meeting was advertised in the local newspaper, advertised on social media, and was attended by approximately 200 people. The 17-page PowerPoint presentation used at the public meeting is attached. The PowerPoint

presentation addressed: the historic and projected use of the Hawesville site, what a data center is, who TeraWulf is, what the data center campus will look like, water use, how closed-loop cooling works, electricity use and local rates, noise profile, jobs, tax revenue for Hancock County, and what the project brings to Hancock County.

TeraWulf has conducted strong outreach programs to local community leaders, local business leaders, local suppliers and contractors, and the local community college about job training. The following is a complete timeline of community engagement.

- **Feb 2, 2026**: Announcement of transaction, launch of project website and FAQ
- **Feb 7, 2026**: Meet with Owensboro Community & Technical College (OCTC), part of KYCTC
- **Feb 11, 2026**: Draft of sponsored industrial/mechanical/electrical curriculum shared between TW & OCTC
- **Feb 19 & 22, 2026**: Publication of Community Informational Event date & Local Hiring Event, full page publication of FAQ
- **Feb 23, 2026**: Presentation to the Hancock County Industrial Foundation Board
- **Feb 24, 2026**: First Community Informational Event at Hancock County Elementary School
- **Feb 25, 2026**: Local Hiring Event (~60 attendees)
- **Feb 25, 2026**: Meet with Hancock County Chamber of Commerce
- **Mar 10, 2026**: Formal kickoff meeting with General Contractor (Fluor)
- **Mar 12, 2026**: Host Local Contractor Event and Introduction to Fluor (>20 local firms represented)
- **Apr-Jun 2026**: Responses to several journalist questions/request for information (local paper, etc.)
- **Jul 28, 2026**: Follow up presentation to the Hancock County Industrial Foundation Board
- **Aug 13, 2026**: Planned publication of 'Community Informational Series' (local paper); update on site demolition/remediation
- **Aug 20, 2026**: Planned publication of 'Community Informational Series' (local paper); update on County tax revenue estimates
- **Aug 27, 2026**: Planned publication of 'Community Informational Series' (local paper); update on Data Campus noise study
- **Sep 3, 2026**: Planned presentation to the Owensboro Chamber of Commerce

- **Sep 2026:** Planned 2nd Community Informational Event (Hancock County Elementary School)
- **Oct 22, 2026**: Will sponsor table at Hancock County Career Fair

On July 27, 2026 the Commission held a local public meeting at the Hancock County High School to discuss the project and its administrative approval process in Case No. 2026-00115. All four Commissioners attended. The Commissioners and Staff addressed the public's questions.

On August 13, 2026 Hancock County Judge Executive Roberts drafted a letter to the EEC and Commission attesting to TeraWulf's meaningful community engagement (attached). Judge Roberts writes *"[f]rom the earliest stages of this project, the company has appeared to demonstrate transparency, open communication, and genuine community engagement. I believe they are proactive and prioritize 'doing it right'—and doing what's best for our community…They have been professional, responsive, and collaborative, approaching every discussion as a true partner rather than simply a project developer… The Justified Data Campus represents a transformative opportunity for Hancock County…They have earned my confidence through their actions, and we are excited about the opportunity to welcome them into our community."*

TeraWulf will continue to build a meaningful relationship with the community.

As it stated to the Commission, TeraWulf is committed to local jobs. TeraWulf has *"engaged the community through informational events, including a local hiring event attended by over 60 candidates, a contractor outreach event with more than 35 companies in coordination with the project's general contractor, and participation in the Hancock County job fair. TeraWulf is also partnering with Owensboro Community & Technical College ("OCTC"), part of the Kentucky Community & Technical College System ("KYCTCS"), to develop workforce training*

programs under KYCTCS-TRAINS, focused on building the specialized skills required for data center operations." Response to Attorney General Item 7, Set One.

The number of local full-time jobs is expected to be significant. The full-time jobs to operate the data center are expected to total 95. Anthropic will add additional employees. In Response to Commission Staff Item 4, Set Two, TeraWulf's expected jobs by position were identified.

> *"The positions required to operate the data center are expected to include 40 operators, two building supervisors, one DC O&M manager, 16 relief operators, 15 O&M technicians, one maintenance coordinator, five facilities personnel, one engineer, one safety professional, four security personnel, one site administrator, seven IT technicians, and one HR representative. These roles will be full-time positions, with salary ranges aligned to market and industry standards. Based on previous experience from another major DC project in Barker, NY, we expect our ultimate tenant to require up to potentially the equivalent amount of full-time roles as TeraWulf for the duration of the lease – though the amount is tenant specific and can vary."*

These full-time jobs, once the project is complete, are in addition to the 800-1,000 construction jobs. Construction workers pay the state income tax and local occupational fees.

ENVIRONMENTAL PROTECTION

TeraWulf is making substantial progress in its environmental permitting. Justified DataPower will have a significantly lower environmental impact than the retired aluminum smelter. The smelter consumed 550,000 gallons of water per day and required large-scale material handling and industrial processing. Justified DataPower will not produce smoke, odors, wastewater discharge, or industrial manufacturing emissions. There will be no industrial process noise and no 24-hour trucking during operations. The project's closed-loop cooling system does not withdraw water from the Ohio River and does not use municipal drinking water for operations.

The following updates reflect significant permitting progress and the broader environmental protection program underway at Hawesville.

- Justified DataPower has obtained coverage under the Kentucky KYR10 General Construction Stormwater Permit and has implemented associated Best Management Practices (BMPs), erosion controls, and sediment control measures to protect water quality during construction activities.
- The Kentucky Department for Environmental Protection has approved the project's water withdrawal/transfer authorization. The approved withdrawal volume is at or below the amount historically authorized for the former aluminum smelter, and no increase in water withdrawal volumes is anticipated.
- The Kentucky Division of Water has issued Stream Construction Permit No. 37387 for the Justified DataPower project authorizing construction activities within the Ohio River floodplain. Construction activities will be conducted in accordance with permit conditions and applicable floodplain management requirements.
- For operational emissions sources, Justified DataPower intends to apply for a Clean Air Act Federally Enforceable State Operating Permit (FESOP) covering emergency equipment such as backup generators and fire pumps.
- Justified DataPower has also voluntarily implemented an ambient air monitoring program during demolition activities. This program is intended to protect workers and the surrounding community and to ensure construction activities remain protective of human health and the environment.
- In addition, a comprehensive noise assessment program is underway to evaluate project-related sound levels and confirm that operations are designed to remain below applicable standards and protective of nearby receptors.
- Beyond the individual permits and studies, the overall environmental compliance and monitoring program has been designed to be protective of human health and the environment while ensuring compliance with applicable federal, state, and local environmental requirements.

These items, together with the completed environmental site assessments, threatened and endangered species review, cultural resources evaluation, wetland delineation work, Brownfield Program participation, Property Management Plan, ongoing robust demolition and waste management plans and activities, and agency coordination efforts, demonstrate substantial progress regarding environmental studies and protections.

ENERGY MANAGEMENT & OPTIMIZATION

At the Justified DataPower Campus, energy management is the discipline of matching a very large, rapidly changing IT load with available power while minimizing cost and protecting reliability. The servers consume the vast majority of the energy consumption, but cooling will represent approximately 10%–25% of the energy consumption depending on the ambient climate conditions.

The metric to measure the efficiency of a data center is PUE — Power Usage Effectiveness:

PUE = Total Facility Power ÷ IT Power

If a 400 MW campus draws 480 MW while servers consume 400 MW:

PUE = 480 / 400 = 1.20

Energy use at the Justified DataPower Campus will vary seasonally as cooling demand changes. Cooling demand is expected to increase during peak summer conditions and decrease during cooler periods. One energy management approach has been to optimize the design of the Justified DataPower Campus for “free” cooling. During qualifying ambient conditions, the data center’s cooling systems are expected to use “free” cooling, reducing the need to operate chillers and consume electricity to operate the chillers. Since any energy directed towards cooling represents facility overhead rather than energy used to support critical IT load, TeraWulf is incentivized to minimize cooling demand so that more of each available megawatt can support customer computing workloads.

The Justified DataPower Campus is designed and engineered to a target PUE of 1.25. The expected PUE range for the campus is 1.10 to 1.40. The design incorporates a number of

mechanical and electrical features intended to minimize PUE. The campus is designed around predominantly liquid-cooled computing architecture, reducing the energy needed to transfer heat from the computing equipment compared to traditional air-cooling approaches.

The electrical design uses a streamlined architecture intended to reduce unnecessary power-conversion equipment, electrical losses, and potential points of failure through a simplified power distribution architecture, supporting efficient and reliable operation downstream of the utility interconnection.

The Justified DataPower Campus' current design does not contemplate external waste-heat recovery at this time, beyond the waste heat recovery elements that are already incorporated into the internal cooling system design. In general, external waste heat recovery can be explored for local heating needs (e.g. nearby school campus, etc), for incremental power generation, or for adjoining horticulture/aquaculture facilities. To date, there hasn't been a local interest in exploring these uses.

The Justified DataPower Campus is considered an 'Uptime Institute Tier III Equivalent' facility, and as previously stated it does not use 1:1 backup generation (instead focusing on transmission redundancy rather than installing 480 MW of diesel or natural gas backup generators, with associated capital cost and emissions), which would be required for full Tier III certification.

PROMOTION OF GRID RELIABILITY & RESILIENCE

The Retail Electric Service Agreement with Big Rivers and Kenergy includes provisions designed to protect reliable service for existing ratepayers. Big Rivers and Kenergy may curtail the Justified DataPower Campus load before any other non-interruptible load to resolve local voltage issues, preserve system integrity, comply with MISO rules or directives, or respond to a

MISO Energy Emergency Alert Level 3 event. If MISO directs Big Rivers to curtail load due to an Energy Emergency Alert Level 3 event, then the Justified DataPower Campus will be curtailed before any Rural Load.[24]

These provisions help protect existing member-consumers and support continued reliable service during emergency system conditions. The Agreement also supports reliability through coordination with MISO and advance planning for the Justified DataPower Campus' capacity and transmission needs.[25]

In addition to these operational protections, TeraWulf will bring existing transmission infrastructure at the Hawesville site back into active use. These assets previously served the Century aluminum smelter and have been significantly underutilized since the smelter closed.[26]

TeraWulf will reserve and pay for the transmission capacity needed to serve the Justified DataPower Campus and will pay for any required transmission upgrades. This improves overall system utilization and reduces the risk that costs associated with underutilized infrastructure would otherwise need to be recovered from existing ratepayers.[27]

Lastly, the Justified DataPower Campus will use facility-level power-quality monitoring and coordinated controls to support responsible operation of its electrical systems. Its streamlined electrical architecture reduces unnecessary conversion equipment, electrical losses, and potential points of failure. These features are intended to support efficient and reliable operation downstream of the utility interconnection.

[24] Agreement for Electric Service § 2.12; TeraWulf Energy Plan at 4, 6, 8.
[25] TeraWulf Energy Plan at 8-9.
[26] TeraWulf Energy Plan at 2, 7-9.
[27] Agreement for Electric Service § 2.08 and Exhibit A § (A)(6); TeraWulf Energy Plan at 2, 4, 7-9.

CONCLUSION

TeraWulf takes Governor Beshear's Executive Order, the Commission approval process, its commitment to the local community, and its commitment to the Commonwealth very seriously. On May 26, 2026, TeraWulf announced a second Kentucky data center project to be located in the EastPark Industrial Park hosted by Boyd, Carter, Greenup, Elliott, and Lawrence Counties. We look forward to working with the EEC, the Commission, and the Attorney General on that project.

Respectfully submitted,

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