



Fab 9 Self-Managed Utility Overview

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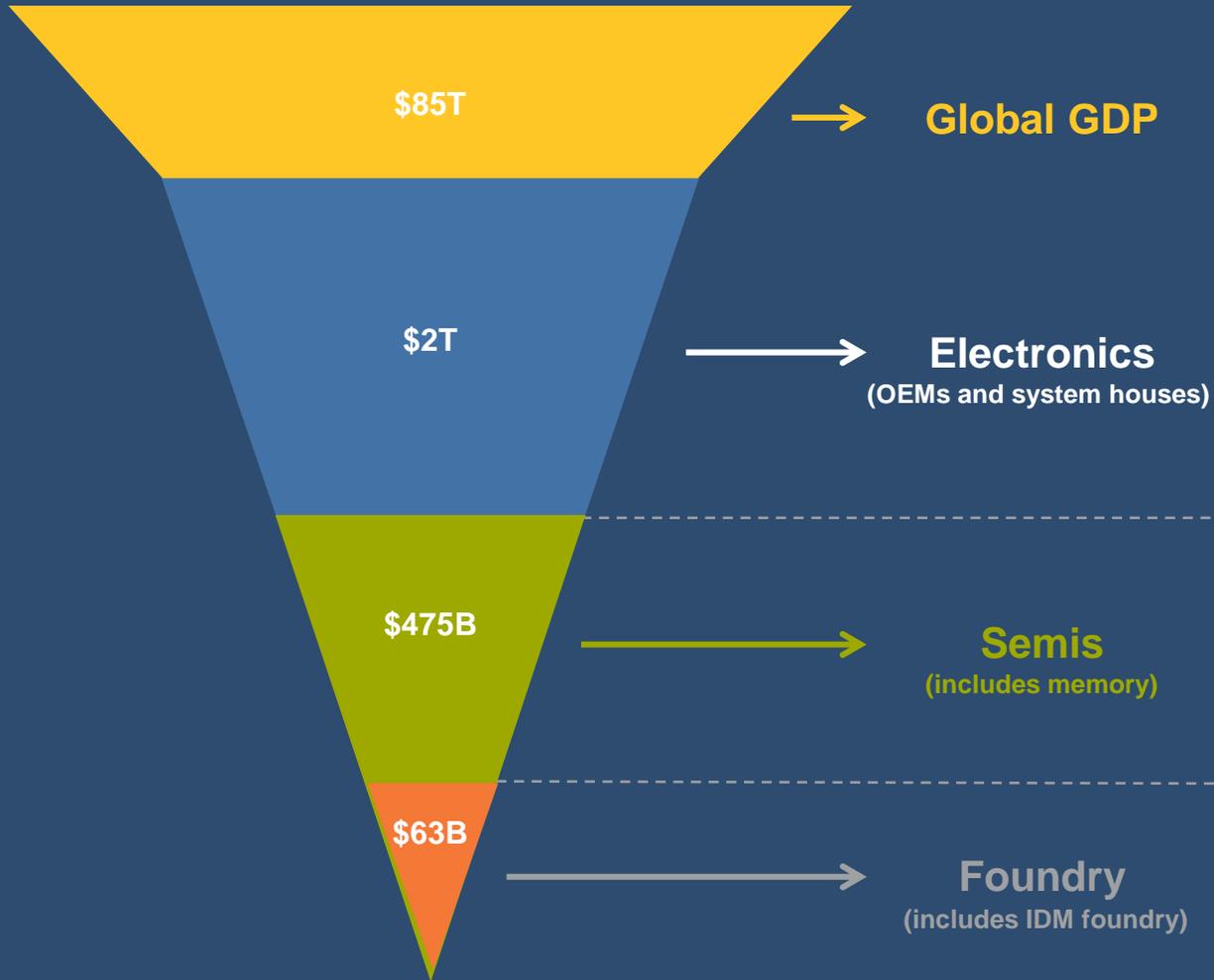
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GLOBALFOUNDRIES®

Foundries are changing an industry that is changing the world

Market size



Key players



Source; Gartner 1Q19; IMF: company analysis

At-scale global manufacturing footprint

Burlington, VT, USA
Fab 9



Wafer size: 200 mm

Malta, NY, USA
Fab 8



Wafer size: 300 mm

Dresden, Germany
Fab 1



Wafer size: 300 mm

East Fishkill, NY, USA
Fab 10



Wafer size: 300mm

Singapore
Fab 7 / Giga



Wafer size: 300 / 200 mm

Burlington site – Fab 9



Market Segments

Mobile, wireless infrastructure, automotive, industrial, and medical



Fab 9 Facts

~ 85% of Cell Phones Worldwide
~ 43% of Vermont State Exports



Manufacturing capacity

2nd Largest to Singapore's Giga (200mm)



Employees

~ 2,200
Largest private employer in the state



Operating since

1957 Site Origin
2014 GF acquired



Essex and Williston Campus

Essex ~ 310 acres
Williston ~ 440 acres



Consumes more energy than the entire City of Burlington ~ 400 GWHrs

GF's Fab 9 must remain competitive in the Global Market

- **Issue:** Fab 9's annual cost of electricity represents nearly 50% of the operational cost of the site to support manufacturing. The Fab 9 per unit cost of electricity is approximately 90% higher than GF's New York plants.
- **Goal:** Narrow the electric cost gap and create greater parity across GF's plants to maintain and grow operations at Fab 9 in Essex and ensure its competitiveness in the Global Market.
- **Analysis:**
 - GF can move production between 5 global Sites and accepts managing risks in the open energy market
 - Closing the gap to get closer to NY electric costs improves Fab 9 cost per unit produced – the primary measure of competitiveness among GF plants
 - ✓ Supports optimum capital investment and growth opportunities



Solution: Self – Managed Utility

- Since 2019, GF and GMP have been working through a collaborative process ordered by the PUC to find ways to create greater stability/sustainability for GF in the long term, to promote it remaining in Vermont for the benefit of not only electric customers but the Vermont economy as a whole.
- One of the options outlined in a December 2019 report to the PUC was to establish GF as a “single customer” utility.
- This solution is possible because GF is the largest VT power customer, has a direct connection to the 115kV high-voltage transmission system & owns and maintains the distribution system.
- The Self-Managed Utility model will:
 - Allow GF to manage its own distribution system and supply its own load.
 - Simultaneously remove GF from GMP’s service territory, retail load, and service obligations.
 - The proposal includes a 4-year transition for GMP to provide GF energy, capacity, and renewable attributes through a PPA that includes transition fees for a portion of otherwise stranded costs.
 - GF’s SMU will be considered the 3rd largest utility in the state if approved by the PUC.



Benefits of the Self-Managed Utility:

Good for GlobalFoundries....Better for Vermont!!!

- Allows GF to direct its own purchases to satisfy load through the wholesale market consistent with its own goals, timelines and strategies, in order to: manage risk across GF manufacturing plants, enhance global competitiveness, and improve prospects for investing in Vermont.
- GF's employees and local suppliers will remain economically strong, continue to contribute to the state's economy:
 - Wages and benefits for approximately 2,200 employees
 - Payments to Vermont vendors/ contractors
 - State income taxes, property taxes and sales taxes
 - Exports of \$1.311 billion (2019) (43% of the State's total export)
- Maintains GF as a wholesale transmission customer in Vermont through VELCO to the benefit of all electric customers statewide.
- Maintain GF's corporate philosophy to be a world-wide industry leader in clean energy standards and continue to be recognized for environmental sustainability.
- Critical timing – Why now?
 - Positions Fab 9 for positive investment today to meet the technology demands of tomorrow.
 - President Biden Executive Order and Federal CHIPS legislation – highlights importance of significant investment in domestic semiconductor industry and future opportunity for GF and Fab 9 growth.