

**AGREEMENT
BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND
THE GOVERNMENT OF THE REPUBLIC OF BULGARIA
ON
COOPERATION ON THE KOZLODUY NUCLEAR POWER PROJECT
AND
THE CIVIL NUCLEAR PROGRAM
IN THE REPUBLIC OF BULGARIA**

The Government of the United States of America (hereinafter the “United States”) and the Government of the Republic of Bulgaria (hereinafter “Bulgaria”), hereinafter referred to collectively as the “Parties,”

RECALLING the Agreement for Cooperation in the Peaceful Uses of Nuclear Energy between the United States of America and the European Atomic Energy Community, done at Brussels November 7, 1995, and March 29, 1996 (the “U.S.-Euratom Peaceful Nuclear Cooperation Agreement”);

RECOGNIZING that the United States and Bulgaria are members of the International Atomic Energy Agency and parties to the Treaty on the Non-Proliferation of Nuclear Weapons, done at Washington, London, and Moscow on July 1, 1968, and that each has in force with the IAEA a Safeguards Agreement and an Additional Protocol;

RECOGNIZING that Bulgaria is a member of the European Union; a party to the Treaty establishing the European Atomic Energy Community (the “Euratom Treaty”), a party to the Vienna Convention on Civil Liability for Nuclear Damage, done at Vienna on May 21, 1963, and a party to the Joint Protocol Relating to the Application of the Vienna Convention and the Paris Convention, done at Vienna on September 21, 1988;

RECALLING the Memorandum of Understanding between the Government of the United States of America and the Government of the Republic of Bulgaria Concerning Strategic Civil Nuclear Cooperation, signed at Washington and Sofia on October 23, 2020;

REAFFIRMING their shared view that U.S.-Bulgaria civil nuclear cooperation is an important component of their bilateral strategic relationship and can play a vital role in promoting the security and decarbonization of Bulgaria's energy supply, while providing substantial ancillary benefits to the energy security of the United States and European allies;

RECOGNIZING the desire of Bulgaria to further develop its nuclear power plant at the Kozloduy site, with the addition of Kozloduy Units 7 (K7) and 8 (K8), as well as the potential desire for additional energy projects in the future;

MINDFUL that the United States and Bulgaria trace their civil nuclear energy partnership back to 2000, when U.S. industry first became involved in the Kozloduy Nuclear Power Plant modernization program;

MINDFUL that the United States is a leader in nuclear technology, safety, security, and nonproliferation, with over 65 years of experience in exporting nuclear energy technologies worldwide, and with deep expertise across the U.S. nuclear energy sector, including within the government, national laboratories, academia, and industry;

RECOGNIZING the desire of Bulgaria to expand the civil nuclear power sector through cooperation between the Parties in overall aspects of civil nuclear power, such as nuclear safety and security, nuclear fuel supply, nuclear regulations, waste management, quality management systems, advanced technologies such as small modular reactors, technology transfer, localization, and workforce training;

EXPRESSING their mutual interest in the advancement of such cooperation in furtherance of their shared commitment to attaining the highest modern standards of nuclear safety, security, safeguards, and nonproliferation;

AFFIRMING their commitment to the Guidelines of the Nuclear Suppliers Group; and

AFFIRMING that nuclear energy provides a sustainable source of energy, which contributes to energy security and reduces carbon emissions;

HAVE AGREED AS FOLLOWS:

ARTICLE 1. DEFINITIONS

For the purpose of this Agreement:

- (a) The term “**EPC Contractor**” means the entity providing Engineering Procurement and Construction services for the Project;
- (b) The term “**National Laws**” means each Party’s national laws and regulations, including, for Bulgaria, the applicable laws and regulations of the European Union, including the Euratom Treaty, and the Treaty of the European Union, and the Treaty on the Functioning of the European Union, as well as their secondary legislation.
- (c) The term “**Other Participant**” means any Bulgarian, U.S., or other private or state-owned or state-controlled entity that supports the Project by contract or otherwise in respect of Project delivery, operations, or financing;
- (d) The term “**Program**” means cooperation between the Parties related to the civil nuclear power plant program in Bulgaria, which includes the Project, and, upon mutual decision of the Parties, any potential other nuclear energy projects in Bulgaria, such as a potential new reactor at the Kozloduy Nuclear Power Plant (“Kozloduy Unit 8” or “K8”) and development of advanced nuclear technologies;
- (e) The term “**Project**” means the design, construction, and commissioning of one new reactor with installed capacity of at least 1,000 megawatts at the Kozloduy Nuclear Power Plant (Kozloduy Unit 7 or K7);
- (f) The term “**Project Company**” means a company with its registered seat in the territory of Bulgaria established for the purpose of carrying out the objectives of the Project that is expected to be a direct investor in the Project and is controlled by the Government of the

Republic of Bulgaria, with potential participation of other investors, under the laws and regulations of Bulgaria; and

- (g) The term “**Project Participant**” means any Bulgarian or U.S. private or state-owned or state-controlled entity that participates in the Project Company or supports the Project by contract or otherwise in respect of Project delivery, operations, or financing.
- (h) The term “**Technology Vendor**” means the entity providing nuclear reactor technology under the Project;

ARTICLE 2. COOPERATION UNDER THIS AGREEMENT

1. Each Party shall cooperate under this Agreement, subject to its National Laws and the international agreements to which it is a party and subject to the availability of appropriated funds. If either Party identifies an inconsistency between the provisions of this Agreement and its National Laws or an international agreement to which it is a party, the Parties shall, upon request, consult in accordance with Article 11 of this Agreement regarding the appropriate action to be taken.
2. The Parties regard cooperation under this Agreement as necessary for their achievement of important and shared governmental objectives. Such objectives include the responsible use of nuclear energy to promote their overall energy security, meet clean energy needs, ensure a high level of environmental protection, and deepen their bilateral strategic relationship. Bulgaria desires that its Program continues to achieve the highest standards of nuclear safety, security, reliability, efficiency, and nonproliferation, and wishes to leverage the vast expertise and experience of U.S. Government experts, regulators, nuclear industry, and national laboratories in maintaining that goal. The United States, as a world leader in the civilian nuclear power industry, is positioned to provide the highest standards and industry best practices for civilian nuclear power projects, including best practices related to regulatory frameworks, technologies, construction, operation, fuel supply, and nonproliferation. In furtherance of their longtime alliance and strategic partnership, cooperation under this Agreement will advance the Parties’ joint goal to ensure that the Program meets the highest standards, helps achieve clean energy goals, and promotes common energy security objectives.
3. The Parties shall cooperate directly in the following activities:

- (a) consultation and exchange of expert and technical input to advance overall development of the Program;
 - (b) involvement of third country entities in the Project, subject to the Parties' applicable National Laws;
 - (c) identification of potential financing and of economic structures that will support financing of the Project, including additional options to enhance the commercial viability of the Project in an effort to facilitate investment by entities other than the Project Company and Bulgaria;
 - (d) promotion of civil nuclear energy within the European Union, including through multilateral engagement, as a safe and sustainable source of energy, which reduces global carbon emissions, thus helping mitigate climate change;
 - (e) organization of workshops, meetings, seminars, or conferences, including those to raise public awareness and acceptance on the peaceful uses of nuclear energy;
 - (f) exploration of the development and deployment of advanced nuclear technologies, including advanced reactor and radioactive waste management technologies;
 - (g) exchange of information in support of the foregoing activities; and
 - (h) consultation regarding physical and cyber security of nuclear facilities.
4. The Parties shall facilitate, encourage, and/or promote, as applicable, the following activities when performed by the Project Company or Project Participants, as appropriate, respecting in each case the policies, procedures, requirements, and independent decision-making authority of the Project Company and of such Project Participants:
- (a) development, construction, and financing of the Project, to include coordination with export credit agencies from third countries, as applicable;
 - (b) development of expertise in the management of spent fuel and radioactive waste in the light of relevant policies of Bulgaria and in support of the Project;
 - (c) provision of technical assistance to, and training of, relevant Bulgarian entities to enhance their capacity and expertise to execute and administer the Project; and
 - (d) optimization of localization to support the Project.
5. The Parties may mutually decide, to the extent consistent with their respective National Laws and regulations, and upon recommendation by the Steering Committee, to cooperate on

additional projects related to nuclear applications through the Program—such as on non-nuclear-based energy generation and energy storage projects.

6. All activities conducted under this Agreement shall be exclusively for peaceful purposes. Any transfers of nuclear material, equipment, or technology in support of the Program shall be governed by the Parties' applicable National Laws, including applicable licensing requirements, and by the U.S.-Euratom Peaceful Nuclear Cooperation Agreement, where applicable.
7. The cooperation under this Agreement excludes sharing of information (including information that is incorporated in equipment or an important component thereof) that is not available to the public and which is important to the design, construction, fabrication, operation, or maintenance of any facility designed or used primarily for uranium enrichment, reprocessing of irradiated nuclear material, heavy water production, or fabrication of nuclear fuel containing plutonium.

ARTICLE 3. OTHER AREAS OF COOPERATION

In addition to activities described in Article 2 of this Agreement, the Parties may facilitate other cooperative activities related to this Agreement, which, upon the recommendation of the Steering Committee, may include:

- (a) Collaboration on regulatory issues, recognizing the Arrangement between the United States Nuclear Regulatory Commission and the Nuclear Regulatory Agency of the Republic of Bulgaria for the Exchange of Technical Information and Cooperation in Nuclear Safety Matters, done in Rockville and Sofia December 1 and 7, 2023, consistent with the independent nature of the regulatory authorities;
- (b) Laboratory exchanges;
- (c) University exchanges (and other educational programs);
- (d) Personnel training and exchanges;
- (e) Supply chain development, contracting, and coordination;
- (f) Research and development;
- (g) Planning for public messaging;
- (h) Development of a "Lessons Learned" database; and

- (i) Regional collaboration (including, as appropriate, in support of joint work on nuclear power plants in other countries in the region); and

ARTICLE 4. STRATEGIC COOPERATION

Bulgaria shall encourage the Project Company to select a U.S. nuclear reactor design and to engage a U.S. entity as the Technology Vendor for the Project and to consider a U.S. entity as the EPC Contractor for the Project. The United States shall encourage such participation of U.S. entities, given the strategic importance of the bilateral relationship between the Parties, their shared governmental objectives under this Agreement, and the desire to maximize the efficient and effective contribution of U.S. technical, regulatory, safety and security expertise. U.S. entities involved in the Project in the role of Technology Vendor, but also any U.S. entities selected as the EPC Contractor, and any U.S. financial institutions involved in the financing of the Project shall be confirmed separately by Bulgaria.

ARTICLE 5. MANAGEMENT OF COOPERATION

1. The Parties shall establish a Steering Committee, composed of representatives of the Parties, to coordinate, facilitate, and review cooperative activities under this Agreement.
2. The Steering Committee shall act by consensus decision of all Steering Committee members and may invite additional experts and technical points of contact, on an as-needed basis, to attend meetings and provide advice and recommendations to the Steering Committee.
3. The Steering Committee shall convene as necessary and for at least two regularly scheduled working sessions per year, unless otherwise jointly decided.
4. The Steering Committee may establish bilateral working groups as necessary to carry out its work under this Agreement.
5. The Steering Committee shall provide guidance and input to the JPIC contributing to a Concept and Execution Report (CER) for the Project, as appropriate, and shall facilitate collaboration between Project Participants and the Project Company, recognizing the policies, procedures, and independent decision-making authority of such Project Participants and the Project Company.

ARTICLE 6. CONCEPT AND EXECUTION REPORT

1. Within thirty (30) days of the entry into force of this Agreement, the Parties shall establish a Joint Project Implementation Committee (JPIC), which is expected to be composed of representatives of the Parties and Project Participants, to report to the Steering Committee, and to draft the CER, recognizing that the goal is for the CER to be completed within twelve (12) months of the entry into force of this Agreement. The Participants may, by mutual decision, invite Other Participants to participate in the JPIC, as appropriate.
2. The CER is anticipated to include:
 - (a) a Front-End Engineering Design (FEED) and Project Development Document;
 - (b) potential financing arrangements and sources for the Project, identified and compiled by the JPIC, anticipating that the JPIC will solicit participation from U.S. and European public and private institutions in financing the Project and recognizing that any financing by U.S. government entities will be subject to the considerations set forth in Article 8 of this Agreement; and
 - (c) guidance concerning potential structure(s), including technology selection, for the Project, anticipating that the Project Company is to select a U.S. nuclear reactor design and to engage a U.S. entity as the Technology Vendor.
3. While compiling the CER, the JPIC is expected to consult with the Parties, the Steering Committee, the Project Participants, Other Participants, and the Project Company, as appropriate, related to the elements identified in paragraph 2 of this Article, for those entities' consideration and further action as they deem appropriate.
4. Upon completion of the CER, as determined by the Steering Committee, the Steering Committee shall distribute, in writing, duplicate copies of the completed CER to the Parties, and the Project Company, and as appropriate, to Project Participants and Other Participants.
5. Within 30 days of the date the Steering Committee distributes the CER to the Parties pursuant to paragraph 3 of this Article, each Party shall in writing advise the other Party of its determination as to whether the CER adequately addresses the items set forth in paragraph 2 of this Article (a determination of adequacy constitutes "CER Acceptance"). If CER Acceptance by both Parties does not occur within 30 days, including for the reason that either Party has advised that the CER does not adequately address the items set forth in paragraph 2 of this

Article, the Parties shall promptly commence consultations to resolve outstanding issues prior to engaging in further cooperation under this Agreement. To the extent any specific areas are identified for further consultations, the United States shall make technical expertise available, as appropriate, to Bulgaria and the Project Company and Project Participants to consult on those points.

ARTICLE 7. PROCUREMENT

The Parties take note of Bulgaria's intention to comply with all Bulgarian and European Union public procurement rules in executing the Project. The Parties recognize that U.S. technical, regulatory, safety, and security expertise offered under this Agreement will be most effective if the Technology Vendor, but also the EPC Contractor to the Project are U.S. entities. In that regard, if necessary and as appropriate, Bulgaria shall endeavor to obtain exemption or clearance from the European Commission and/or other relevant competent authorities that the financing of the Project and the selection of the Technology Vendor do not need to undergo an open market procedure. Bulgaria shall also consider using a U.S. entity as EPC Contractor to the Project and to obtain exemption or clearance from such authorities that the selection of such EPC Contractor would not need to undergo an open market procedure. The Parties recognize that any such exemptions or clearances are subject to the independent decision-making authority of the European Commission and/or such other relevant competent authorities. Beyond that, the Parties take note that all procurement covering works, supplies, and services for the Project will be conducted by the Project Company in accordance with Bulgarian National Laws. The Parties may establish implementing agreements or arrangements relating to procurement as necessary.

ARTICLE 8. FUNDING

The United States expresses its strong interest in facilitating the utilization of the Export-Import Bank of the United States and other applicable and available U.S. financing institutions to support the overall financing for the Project, subject to the policies, procedures, requirements, and independent decision-making authority of such institutions, including particularly their

legal, technical, financial, environmental, social, and safety due diligence of the Project. The Parties acknowledge that such due diligence may include the review by such institutions of the CER, the FEED Document, the Project Development Document, the structure, timing, or other aspects of the Project, independent of any determination or other input by the United States on such aspects pursuant to this Agreement. Such financing would be subject to the timing, finance structure, project documentation, and credit terms requirements of the U.S. financial institutions, and evidenced by customary financing documentation for such institutions, involving applicable Project counterparties, to include Bulgaria.

ARTICLE 9. INFORMATION SHARING AND CONFIDENTIALITY

1. In the event that information identified in a timely fashion as “business-confidential” is furnished or created under this Agreement, each Party shall protect such information in accordance with its applicable National Laws and administrative practices, and shall implement contractual measures, as appropriate, to require its relevant Project Participants, and for Bulgaria, the Project Company, to afford the same protection. Information may be identified as “business-confidential” by a Party if a person having the information may derive an economic benefit from it or may obtain a competitive advantage over those who do not have it, and the information is not generally known or publicly available from other sources, and the owner has not previously made the information available without imposing in a timely manner an obligation to keep it confidential.
2. Except as required by its National Laws, non-public information transferred under this Agreement shall not be disclosed by the receiving Party to third parties without the consent in writing of the other Party and shall be used exclusively in accordance with this Agreement and not for any other purpose.
3. If either Party determines that a particular cooperative activity may lead or has led to the creation of intellectual property, the Parties shall promptly consult with each other to determine the allocation of rights to the intellectual property. The Parties shall endeavor to reach a written agreement respecting the allocation of rights to such intellectual property. If agreement cannot be reached within 12 months, cooperation on the cooperative activity in question shall be terminated at the request of either Party.

ARTICLE 10. LOCAL CONTENT

Subject to the other provisions of this Agreement as well as technical and financing needs of the Projects, the Parties shall encourage and promote optimization of the Bulgarian local content in the Project and the Program.

ARTICLE 11. DISPUTE SETTLEMENT

Any dispute arising from the implementation or interpretation of this Agreement in relation to the rights and obligations of either or both of the Parties shall be settled amicably by consultation between the Parties.

ARTICLE 12. ENTRY INTO FORCE, AMENDMENT AND TERMINATION

1. This Agreement shall enter into force on the date of the later note in an exchange of diplomatic notes between the Parties, informing each other that they have completed all applicable requirements for entry into force of this Agreement pursuant to their respective National Laws.
2. For avoidance of doubt, the Parties acknowledge that this Agreement does not create any financial rights or obligations for the Parties.
3. Either Party may terminate this Agreement upon at least one year's prior written notice through diplomatic channels to the other Party.
4. Notwithstanding the termination of this Agreement, all business-confidential or otherwise non-public information received or created under this Agreement shall continue to be protected in accordance with the provisions set forth in Article 9 of this Agreement.

5. This Agreement may be amended by written agreement between the Parties.

Signed at Sofia, the 12th day of February, 2024, in two originals, in the English and Bulgarian languages, both texts being equally authentic.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA:



FOR THE GOVERNMENT OF THE
REPUBLIC OF BULGARIA:

