



Muskie Data Campus Power Fact Sheet

October 2026

TeraWulf plans to develop the Muskie Data Campus at EastPark, in Boyd and Greenup Counties, for artificial intelligence and high-performance computing. As part of that development process, TeraWulf recently signed an amended electric service agreement with Kentucky Power providing for 1,000 MW of load at the campus by 2029. The agreement ensures that TeraWulf will pay for all of its electricity costs and also includes \$100 million in winter bill credits for residential customers funded by TeraWulf. Financial commitments designed to protect existing customers are also included in the agreement.

The amended agreement

TeraWulf and Kentucky Power signed the original electric service agreement in May 2026 for up to 500 MW under the utility's standard industrial tariff. The amended agreement, signed October 1, 2026, adds a second 500 MW phase and moves the target in-service date at the campus earlier, from 2030 to 2029. The amended agreement requires Kentucky Public Service Commission (KPSC) approval. Until then, the original agreement remains in effect.

When would power become available. Service is scheduled to begin with 100 MW in October 2028 and grow to the full 1,000 MW by October 2029, depending on regulatory approvals and construction.

Winter bill credits. TeraWulf would fund \$10 million a year for ten years in credits for Kentucky Power's residential customers. These payments would be in addition to the campus's own electricity bills. Credits would appear on January through March bills beginning in 2029, subject to KPSC approval. For a typical residential customer, the bill credits could amount to approximately \$25 per month during the winter heating season.

No discount on standard electricity charges. The amended agreement does not discount Kentucky Power's standard charges for power capacity or electricity use. It includes additional commitments from TeraWulf in addition to those charges.

Payments for energy before the new plant opens. Until Kentucky Power's planned new gas plant at Big Sandy begins operating, the campus would pay the actual market cost of the electricity it uses in place of the utility's standard fuel charge. Those market electricity costs would not be included in other customers' fuel charges. During this period, the campus would also pay a \$17,000 monthly administrative fee.

Payments during construction of the new plant. If the KPSC approves both the special contract and the planned Big Sandy plant, TeraWulf would pay the financing costs on the plant's construction, known as carrying charges until the plant begins service. Those costs would otherwise be added to the plant's cost and recovered through all customers' rates.

How the agreement protects existing customers

The agreement combines long-term payment commitments, financial guarantees, and restrictions on leaving or reducing service. These provisions are designed to protect existing customers if the campus uses less electricity than expected or ends service.

Long-term commitments. Phase 1 retains its 20-year term; Phase 2 has a 15-year term. The campus cannot reduce contracted capacity or exit during the first ten years.



Minimum monthly payments. TeraWulf must pay monthly charges based on at least 90% of the power capacity it has committed to purchase, even if it uses less. This provides a minimum payment commitment to Kentucky Power rather than making all revenue depend on actual electricity use.

Limits on leaving or reducing service. The agreement includes lengthy notice commitments and exit fees for reducing or ending service at the campus.

Financial guarantees. The amended agreements require TeraWulf to provide approximately \$756 million in financial security to Kentucky Power. This financial guarantee is separate from TeraWulf's electricity payments, residential bill-credit payments, and payments during construction of the Big Sandy plant.

Who reviews and approves the agreement

The KPSC must approve the special contract and separately authorize the planned Big Sandy plant. The Kentucky Attorney General's Office of Rate Intervention may participate in these proceedings on behalf of residential consumers.

TeraWulf will submit an energy plan for the campus under Governor Beshear's Executive Order 2026-494 on Data Center Development, as it did for its Justified Data Campus in Hawesville.

How electricity would reach Muskie

The campus would receive electricity from the regional power grid, which connects power plants, transmission lines and customers across a broad area. It would not receive electricity exclusively from one power plant.

Serving the campus requires a new utility substation and new transmission lines. A substation connects power lines and changes electricity to the voltage needed for delivery. The planned infrastructure would connect the campus to AEP's existing Baker-Hanging Rock 765-kV line through a new utility substation and two new 345-kV lines, each about 3.5 miles long.

Kentucky Power's equipment. Kentucky Power would build, own and operate the utility's new substation and transmission lines. It could also use this equipment to serve other customers. TeraWulf would provide the necessary land and rights to place lines on its property at no cost to Kentucky Power.

Kentucky Power recovers the cost of these additions through its regulated tariff system, subject to KPSC review and approval. TeraWulf's approximately \$320 million in grid-construction security backs its obligation to reimburse Kentucky Power if the project is canceled.

TeraWulf's equipment. TeraWulf would separately build and pay for its own on-site substation. Kentucky Power would not perform work on equipment owned by TeraWulf.

Construction of the new utility substation and transmission lines has not begun and requires KPSC approval.

How grid reliability is evaluated

Kentucky Power has studied the local transmission system to determine what equipment and upgrades are needed to serve the campus safely.

PJM, the organization that manages the regional electric grid, will independently study how the new connection would affect the wider system. Any problems identified through that review must be addressed before the campus receives power.



These studies are intended to ensure that the campus can receive service without compromising reliability for surrounding homes and businesses.

Common questions

How would the agreement affect my electricity bill?

The agreement is designed to help, not burden, existing customers. Subject to KPSC approval, Kentucky Power's residential customers would receive \$100 million in winter bill credits funded by TeraWulf over ten years. Kentucky Power will determine how the credits are distributed, subject to KPSC approval.

The campus would pay standard electricity charges without a discount, along with the additional payments described above. Kentucky Power will present its analysis of the agreement's effects on customer bills to the KPSC, which will determine how costs are recovered.

Could the campus provide benefits beyond the bill credits?

A large customer paying standard rates can help spread the utility's costs across a larger revenue base. These costs include power plants, lines, substations and maintenance.

Once the full 1,000 MW power commitment is in effect, the campus's minimum payment obligation is estimated at approximately \$250 million annually at today's rates, even if it uses no electricity.

The effect on other customers' rates will depend on utility costs, electricity use and regulatory decisions. The agreement does not guarantee a specific reduction in rates beyond the proposed bill credits.

How much funding could the campus generate for local schools?

Local schools are expected to benefit through property taxes on the campus and through Kentucky's school utility tax, which school districts may levy at up to 3% of electric bills. For example, Boyd County Schools levies the full 3% utility tax.

TeraWulf will not seek an exemption from this tax.

Will the campus pay state sales tax on its electricity?

Yes. Kentucky's 6% sales tax applies to the campus's electric bills. At full operation, we estimate the campus's electricity use will generate more than \$30 million a year in state sales tax, or nearly \$500 million over its first 15 years. TeraWulf will not seek an exemption from this tax.

What happens if the campus uses less electricity or shuts down?

We don't expect the campus to shut down. Using less electricity does not eliminate TeraWulf's minimum payment obligations: it must still pay for at least 90% of its contracted capacity every month. The campus cannot exit in its first ten years; after that, the agreements require advance notice and an exit fee of up to five years of minimum payments. They also include approximately \$756 million in financial guarantees that Kentucky Power can draw on if TeraWulf fails to meet its obligations.

The utility's power lines and other grid equipment would remain Kentucky Power assets that could serve other customers.

Will there be on-site nuclear reactors?

No. There are no plans for on-site small modular reactors or other on-site nuclear generation. The campus would receive electricity through Kentucky Power's transmission system.



Could Muskie expand beyond 1,000 MW?

The amended agreement covers up to 1,000 MW. TeraWulf is evaluating the site's potential to support up to 2,000 MW over time. Any expansion would depend on additional utility planning, infrastructure, agreements and regulatory approvals.

More information

For campus information and updates, visit muskiedatacampus.com.

For information about Kentucky Power's approach to large-load development and customer protections, visit [Kentucky Power's data center information page](#).

Questions about Muskie? Contact info@muskiedatacampus.com.

Disclosures and Forward-Looking Statements

This fact sheet, dated October 5, 2026, replaces the June 2026 version and summarizes the amended agreements. The agreements' terms and applicable regulatory decisions govern. Project schedules, financial estimates and anticipated benefits remain subject to applicable conditions and approvals.

This fact sheet contains forward-looking statements. Actual results may differ materially from those described. For information about risks and uncertainties, please see TeraWulf's filings with the Securities and Exchange Commission.