

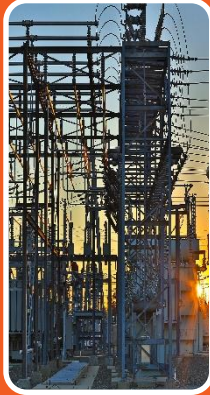
Exhibit to Agenda Item #2

Board Strategic Development Committee and Special SMUD Board of Directors Meeting

Tuesday, December 18, 2018, scheduled to begin at 5:30 p.m.

Customer Service Center, Rubicon Room

Public Power Business Model



- Core value
- SD-11 guides legislative and regulatory advocacy



In compliance with SD-11

Public Power Business Model

SD-11



Supporting and strengthening the public power business model is a core value. Local decision making and flexibility are essential to effective and responsible local governance.

Community-owned utilities are primarily accountable to their customers, not stockholders. Community citizens have a direct voice in public power decisions.

Preservation of this business model is vital to ensure public power systems continue to provide innovative solutions tailored to best meet the needs of their customers and communities.

Public Power Business Model

Support and Preservation

Provided services to Community Choice Aggregators (CCAs)

Protected against system hardening mandates

- SB 901 (Dodd): Passed

Secured flexibility in Renewable Portfolio Standard (RPS)

- SB 100 (de León): Passed

-AB 893 (E. Garcia): Died

Maintained Integrated Resource Plan Flexibility

-SB 64 (Wieckowski): Died

Public Power Business Model

Support and Preservation (cont.)

Secured more credits for electricity fuel in changes to Low Carbon Fuel Standard program

Provided for the inclusion of community solar option in building standards

Defended against Department of Energy directive to prop up coal resources

Public Power Business Model

Continuing Issues 2019-20

Wildfires

Regionalization

Direct Access

FCC Broadband Order

Public Power Business Model

Continuing Issues 2019-20 (cont.)

California's Greenhouse Gas Policies:

Cap and Trade

SF 6

Power Source Disclosure

Q&A