

Exhibit to Agenda Item #3a

Board Policy Committee and Special SMUD Board of Directors Meeting

Wednesday, January 17, 2018, scheduled to begin at 5:30 p.m.

Customer Service Center, Rubicon Room

Public Power Business Model

SD-11



Board Action

- Accept the monitoring report for SD-11 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.



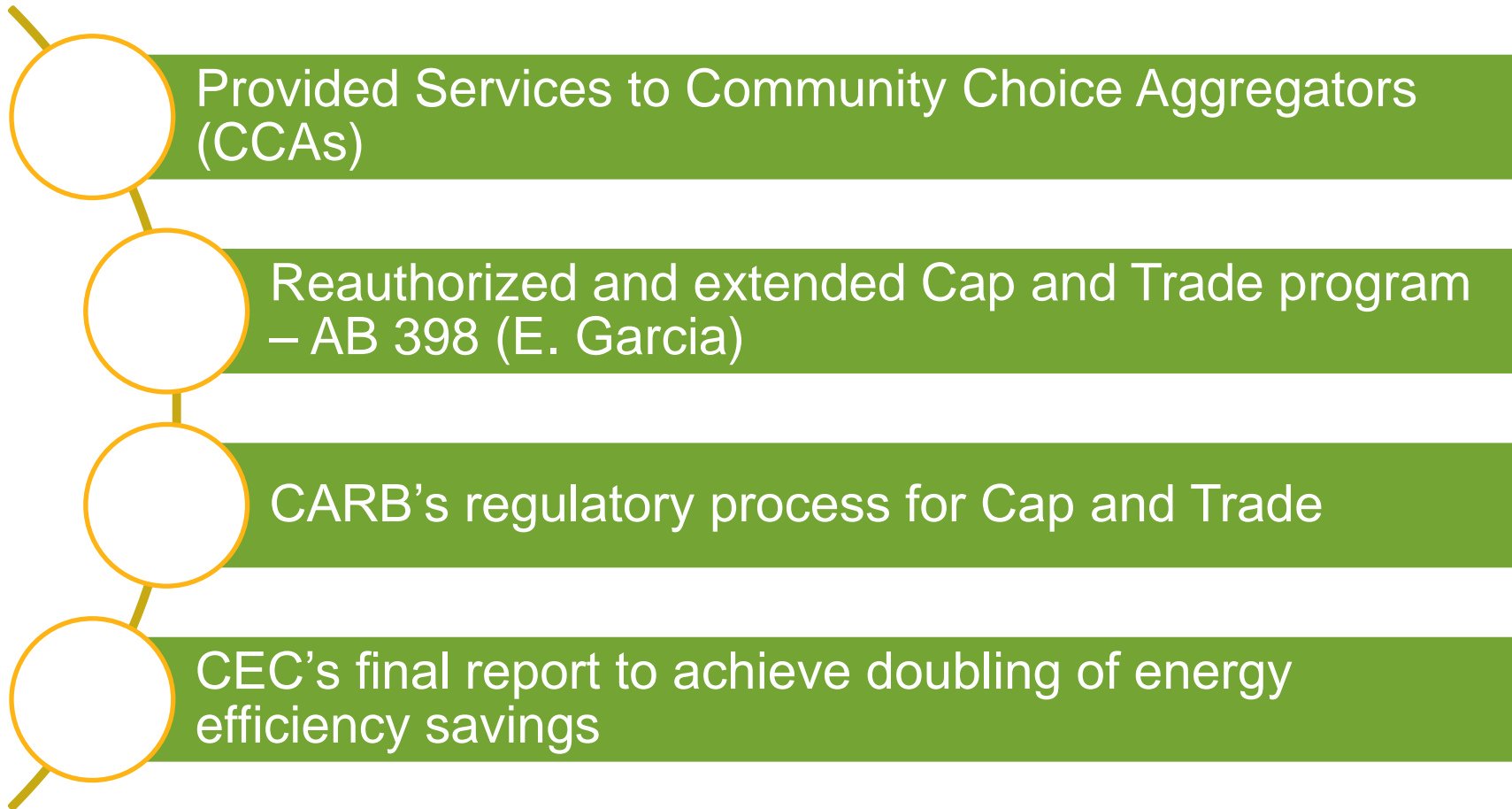
Community-owned utilities are primarily accountable to customer-owners, not stockholders. Community citizens have a direct voice in public power decisions.



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



Public Power Business Model

Continuing Issues 2018-19

Tax reform technical corrections

- Tax reform eliminated cost-savings benefits of advanced refunding, or refinancing of municipal bonds

SB 100 (de Leon) Acceleration of the 50% RPS target

- New 60% RPS target by 2030
- Planning goal of zero carbon resources by 2045

Public Power Business Model

Continuing Issues 2018-19

CCA Legislation and Regulations

CAISO Regionalization

CARB Modifications To Cap and Trade

CEC proceeding on Power Content Label

Questions?