

Exhibit to Agenda Item #2

NCEA Commission Meeting

November 15, 2018, immediately following the SMUD Board of Directors Meeting
scheduled to begin at 6:00 p.m.

Customer Service Center, Rubicon Room



Requested Actions

Approve the issuance of the Northern California Energy Authority (NCEA) Commodity Prepay Bonds and authorize the Chief Executive Officer and General Manager or his designee to execute documents necessary to complete the issuance of these bonds and various contracts related to the prepayment of the commodities

Commodity Prepay Savings

- Issuance of the 2018 Series A/B/C Commodity Supply Revenue Bonds
 - Prepay for 30 year supply of commodities
 - Issue approximately \$590 million of fixed/variable rate bonds
 - First 15 years gas supply and switching to electricity in 2034
 - Estimated Savings
 - \$3-4 million per year for the first 5 years
 - \$1+ million per year savings from year 6-30
 - \$23 million NPV savings over life of transaction

SB 450: Public Disclosure Requirement Related to Bond Issuance

- Government Code Section 5852.1
 - Requires a Good Faith Estimate of Cost is provided before issuance
- NCEA 2018 Series A/B/C Commodity Supply Revenue Bonds
 - True Interest Cost (TIC) 3.06%
 - Cost of Issuance \$4,167,987
 - Par Bond Proceeds \$582,880,000
 - Reserves \$8,600,000
 - Total Pre-Payment Amount \$589,873,144

Prepay Timeline



Requested Actions

Approve the issuance of the Northern California Energy Authority (NCEA) Commodity Prepay Bonds and authorize the Chief Executive Officer and General Manager or his designee to execute documents necessary to complete the issuance of these bonds and various contracts related to the prepayment of the commodities