

Exhibit to Agenda Item #2

Board Policy Committee and Special SMUD Board of Directors Meeting
Wednesday, October 17, 2018, scheduled to begin at 5:30 p.m.
Customer Service Center, Rubicon Room

Execute a 25 Year Power Purchase Agreement with Wildflower Solar 1, LLC

Board Policy

- Supports SD-7 Environmental Leadership and SD-9 Resource Planning.

Background

- Solar Project is being developed in North Sacramento County.
- Renewable Energy Credits are to supply SMUD Solar Shares Program, including Community Solar Projects.
- The LLC's parent company Lightsource BP, is a partnership between Lightsource (a British solar company founded in 2011) and BP (previously British Petroleum).
- Lightsource BP manages 2 GW of solar capacity worldwide.

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Key Contract Terms

- Volume:
 - 13 MW, the final capacity will be adjusted based on land use permitting
 - Average annual production of 29,000 MWh
- Term:
 - 25 Years
 - Expected COD June 30th 2020

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Key Contract Terms

- Price:
 - Fixed price not to exceed \$46.75/MWh
 - Average Annual cost of \$1.3 million with no escalation
 - Contract allows for economic curtailment

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Benefits (1 of 2)

- Supplies SMUD Solar Share Customers with utility scale solar generation
- Local solar generation resources are effective in marketing our services to prospective customers
- Economic and firm priced Renewable Energy is directly interconnected to SMUD grid and avoids Wheeling Charges and Congestion Pricing (which may escalate).

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Benefits (2 of 2)

- Provides reliability and energy capacity benefits to all customers including north area grid support
- Expected Commercial Operations Date of June 2020 is earlier than other Solar Share PPA projects
- PPA Pricing reflects Developer's planned receipt of Federal Investment Tax Credits
- Supports SMUD's renewable energy and carbon reduction goals.

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2021 Levelized Cost of Energy (\$/MWh)
Current SMUD Renewable Power Purchase Agreements

