

# Exhibit to Agenda Item #2

Board Energy Resources & Customer Services Committee Meeting and Special SMUD  
Board of Directors Meeting

Tuesday, October 30, 2018

Immediately following the Finance & Audit Committee scheduled to begin at 5:30 p.m.

Customer Service Center, Rubicon Room

# Roberts Property Transaction Restructured Substation Service Agreement

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## Requested Action

- Authorize the Chief Executive Officer & General Manager, or his designee, to execute a restructured Substation Service Agreement with EDF Renewable Windfarm V, Inc. (EDF)

# Roberts Property Transaction Restructured Substation Service Agreement

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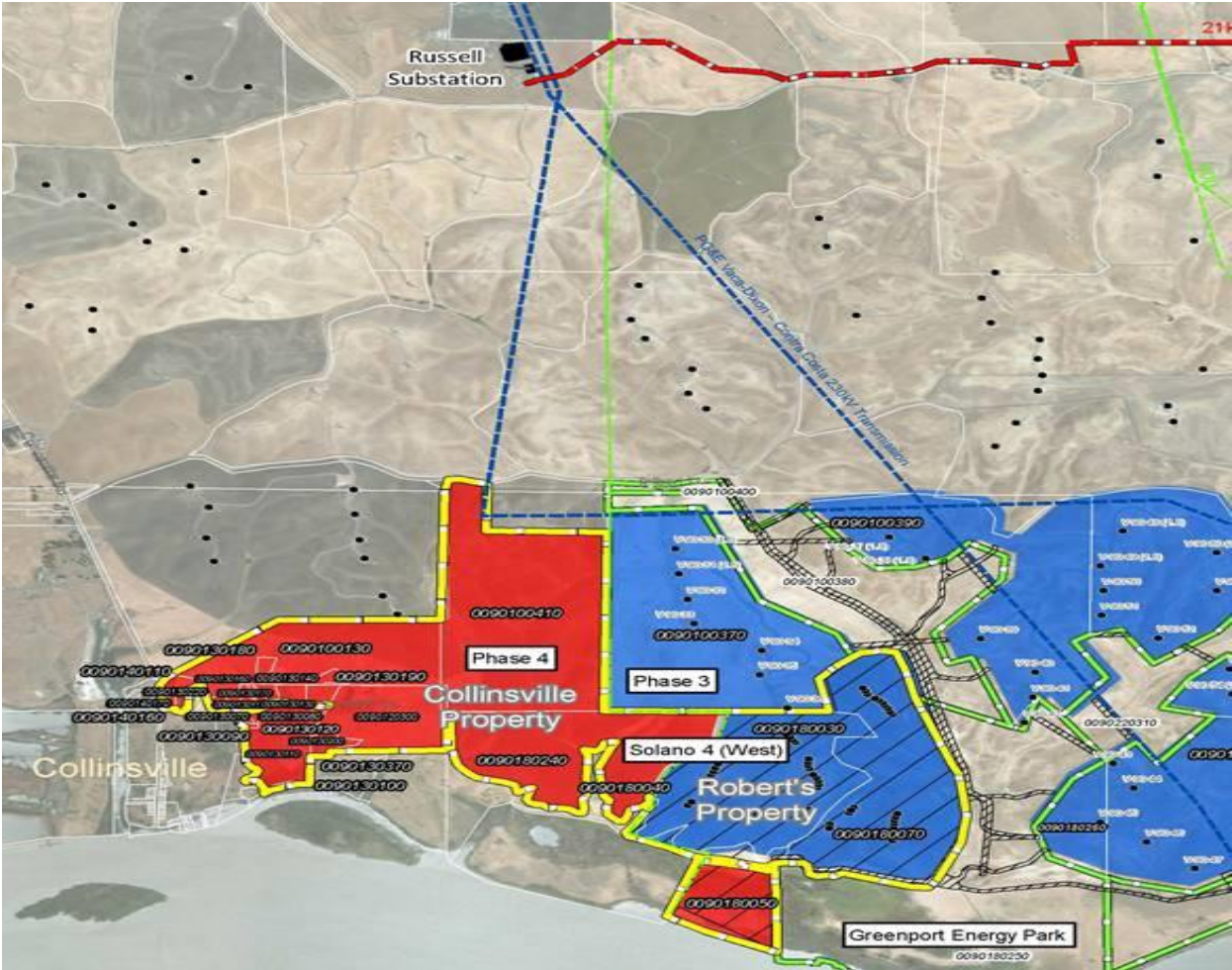
## Background

- EDF/SMUD Russell Substation Agreement obtained in 1994 as a result of US Wind Power bankruptcy
- SMUD purchased the 479-acre Roberts Property in 2007
  - EDF currently holds lease, including wind rights, until 2039

## Context

- Transaction intended to facilitate development of Solano 4 Wind:
  - New Substation Service Agreement reduces EDF's cost
  - Termination of Ground Lease and Limited Use Agreements define schedule for EDF to remove old WTGs by end of 2019 and release Wind Rights to SMUD

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## Summary of Transaction

- EDF lease on Roberts terminates 12/31/18
  - EDF limited use for an additional year to remove facilities
- SMUD receives wind rights
  - 20 years ahead of current schedule
- Restructured Substation Service Agreement
  - Capacity reduced 66% from 50 MW to 17 MW
  - Fees reduced by 50% from \$136K/yr to \$68K/yr
  - SMUD may reconfigure Russell facilities

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## SMUD Benefits

- Opportunity to add 20 MW to Solano 4 Wind
- Improves reliability of Solano Phases 1 and 2
- Supports SD-7 and SD-9 efforts to reduce SMUD's carbon footprint and meet renewable energy goals through development of wind energy

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