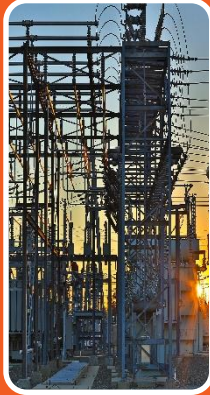


# Exhibit to Agenda Item #1

Board Policy Committee and Special SMUD Board of Directors Meeting  
Wednesday, December 4, 2019, scheduled to begin at 5:30 p.m.  
Headquarters Building, Auditorium

# 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

Expanded CCA service to Silicon Valley Clean Energy

Ability to hold nonstock security in a partnering company

- AB 689 (McCarty): Passed

Protected against CPUC oversight of Wildfire Plans

- AB 1054 (Holden): Passed

Preserved use of 2019 Cap-and-Trade Proceeds

# Public Power Business Model

## Support and Preservation

Neighborhood SolarShares Program at the CEC

Pushed back against federal sale of PMA transmission assets

Worked to bring down costs of CVP power

Successfully joined Energy Imbalance Market

# Public Power Business Model

## Continuing Issues 2020-2021



Legislative restrictions on rate-setting



Wildfires: Deenergization mandates, PSPS



Centralized procurement

# Public Power Business Model

## Continuing Issues 2020-2021



Power Source Disclosure policies



Temporary federal tax provisions



Pole attachments

# Q&A