

# Exhibit to Agenda Item #4

Approve delay of the implementation of the Commercial Rate Restructure for one year to be effective no later than May 31, 2022.

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

Tuesday, August 18, 2020, immediately following the Special Board of Directors meeting scheduled to begin at 5:30 p.m.

Virtual Meeting (online)

# Agenda

- Commercial Rate Restructure intent
- Original and new proposed schedule
- Reason for the delay
- Board approval

# Commercial Rate Restructure Intent

- Support the ambitious carbon reduction goals set by the Board
- Promote electrification with lower electricity prices
- Align prices when renewable power is abundant
- Designed to be revenue neutral for SMUD
- Multi-year glidepath
- Comply with Board direction on rates (SD-2)
  - Reflect the cost of energy when it is used
  - Reduce use on peak
  - Minimize “sticker” shock in the transition from one rate design to another

# Original Schedule

Voltage	Customer Size (kilowatts)	Customer Accounts	2021	2022*	2023*	2024*	2025*	2026*	2027*	2028*
Secondary	<20	55,519		-	-	x	-	-	-	✓
	20-299	8,091	-	-	-	-	-	✓		
	300-499	410	-	-	-	-	-	-	✓	
	500-999	229	-	-	-	✓				
	1000+	96	-	-	✓					
Primary	300-499	62	-	-	-	✓				
	500-999	13	✓							
	1000+	37	-	✓						
Subtransmission	500-999	5	✓							
	1000+	24	-	-	✓					

- x – Demand charge introduced
- Rate restructure implemented
- ✓ Restructure complete
- \* Subject to future rate increases

# New Schedule (with one-year delay)

Voltage	Customer Size (kilowatts)	Customer Accounts	2021	2022*	2023*	2024*	2025*	2026*	2027*	2028*
Secondary	<20	55,519		-	-	x	-	-	-	✓
	20-299	8,091	→	-	-	-	-	✓	→ ✓	
	300-499	410	→	-	-	-	-	-	→ ✓	→ ✓
	500-999	229	→	-	-	✓	→ ✓			
	1000+	96	→	-	✓	→ ✓				
Primary	300-499	62	→	-	-	✓	→ ✓			
	500-999	13	→	✓						
	1000+	37	→	✓	→ ✓					
Subtransmission	500-999	5	→	✓						
	1000+	24	→	-	✓	→ ✓				

- Restructure delayed
- Demand charge introduced
- Rate restructure implemented
- ✓ Restructure complete
- \* Subject to future rate increases

# Reasons for the Delay

- COVID-19
  - The crisis has impacted SMUD's operations and shifted priorities
    - Focused on providing support & relief to ease COVID impacts to customers
  - SMUD and our Customers are adapting to the "new normal". For example:
    - Many of our commercial customers are focused on business challenges as they have been adversely impacted
    - Many businesses may not be open or may not have staff working from their offices
  - Customers experiencing too many changes
    - One-year delay will give our customers time to adjust to the "new normal" and provides time to educate customers about the new rate and its impacts
- The one-year delay will not materially impact SMUD's long term goals, rates trajectory adopted by the Board
- Because the CRR was designed to be revenue neutral, the delay does not adversely impact SMUD's revenue collection
- Will incorporate changes into 2021 rate action

# Board Request

- Delay the implementation of the commercial rate restructure for one year to be effective no later than May 31, 2022.

# Questions