

**RESOLUTION NO. \_\_\_\_\_**

**WHEREAS**, on June 17, 2021, the Chief Executive Officer and General Manager released the “Chief Executive Officer & General Manager's Report and Recommendation on Rates and Services, *Volumes 1 and 2*” (the “CEO & GM Report”), which is incorporated by reference herein; and

**WHEREAS**, by Resolution 21-06-06, adopted June 17, 2021, a public hearing on the CEO & GM Report was scheduled for August 31, 2021, at 5:30 p.m.; and

**WHEREAS**, notices of the hearing were duly published in the *Sacramento Bee* on June 22, June 25 and June 30, 2021; and

**WHEREAS**, pursuant to SMUD Ordinance No. 15-1, SMUD conducted the two required public workshops on July 8, 2021, and July 27, 2021, to receive and respond to customer comments and questions; and

**WHEREAS**, in compliance with Government Code section 54999, SMUD sent written notifications by certified mail on June 28, 2021, and June 29, 2021, describing the rate proposal to local school districts, county offices of education, community college districts, California State University, the University of California, and state agencies; and

**WHEREAS**, SMUD held two qualifying public workshops, contacted over 1,200 community organizations and neighborhood associations leaders via email, letter or phone call invitations to offer an in-person presentation, sent emails to over 256,000 customers and organizations with tailored content for each audience, conducted over 50 presentations to community neighborhood and business organizations, over 300

community and business partners were provided content and were asked to share information regarding the rate proposal with their members and networks, and an additional 55 local agency elected officials were sent information packets with an offer of in-person presentations, which resulted in one meeting being held and offers for follow-up meetings if desired; and

**WHEREAS**, SMUD provided all customers information about the rate proposal via email, mail newsletters, and through the rate change proposal website on [www.smud.org](http://www.smud.org), which received approximately 3,300-page views; and

**WHEREAS**, SMUD received from members of the public written questions, as well as comments and alternative recommendations to the rate changes proposed; and

**WHEREAS**, the public hearing was held on August 31, 2021, and out of an abundance of caution due to the ongoing COVID-19 health and safety precautions, the public hearing was conducted virtually on ZoomGov and livestreamed via Granicus, and all interested persons were given an opportunity to comment and submit testimony; and

**WHEREAS**, pursuant to SMUD Ordinance No. 15-1, this resolution was introduced on August 31, 2021, by this Board to be circulated for a minimum of 10 calendar days for public review, input and comment; and

**WHEREAS**, the CEO & GM Report set forth in detail the factors necessitating the proposed rate action, including the need to meet SMUD's financial targets in years 2022 and 2023, consisting of:

- Wildfire prevention and mitigation, due to increased costs and requirements for vegetation management and insurance for wildfire; and
- Infrastructure improvements to maintain high reliability, including continued investments in our distribution and transmission systems, as well as meeting regulatory requirements; and
- Clean energy compliance requirements – investing in clean energy resources like more wind, solar, hydro power and biogas to meet updated state requirements; and
- Increased operating costs, including materials and labor, due to the COVID-19 pandemic and the impacts it has had to global supply chains; and

**WHEREAS**, SMUD has adopted a robust risk-based prioritization process to develop operational efficiencies and other cost saving measures to offset higher costs and ensure that rate increases are less than the forecasted rate of inflation; and

**WHEREAS**, it is necessary for SMUD to increase retail rates by one and a half percent (1.5%) for all customers effective March 1, 2022, and two percent (2.0%) for all customers effective January 1, 2023, in order to continue to meet the objectives and metrics set forth in this Board's Strategic Directions; and

**WHEREAS**, the recommendations in the CEO & GM Report include minor language amendments in Rate Schedules R and R-TOD to improve clarity of which

months are included in each season, which rates customers may enroll in, and the closure of the Legacy and TOD (4-7 p.m.) rates; and

**WHEREAS**, SMUD proposes a new optional Residential CPP Rate for customers participating in a qualified program that will offer a per kWh discount on summer Off-Peak and Mid-Peak hours in exchange for a higher per kWh price during times when the grid is most stressed, up to 50 hours per summer; energy sent to the grid during CPP events will be compensated at the CPP event price; the CPP Rate will encourage customers to reduce their energy consumption during those times when the grid is most impacted, and send energy to the grid from solar or battery storage, thereby reducing stress on the grid, improving reliability, and promoting storage adoption; and

**WHEREAS**, on August 20, 2020, the Board approved postponing the implementation of the commercial rate restructure for one year, with the transition completing no later than May 31, 2022, as a result of the COVID-19 pandemic's impact on SMUD's operations and shifted priorities; and

**WHEREAS**, the recommendations in the CEO & GM Report include modifying Rate Schedules CI-TOD1, CI-TOD2, CI-TOD3 and CI-TOD4 to reflect the delayed implementation of the commercial rate restructure to begin as early as October 1, 2021; and

**WHEREAS**, the recommendations in the CEO & GM Report include adding the Summer Super Peak Demand Charge back into Rate Schedules CB, CHP, EAPR, and EDR to reflect the delayed implementation of the commercial rate restructure timing; and

**WHEREAS**, the recommendations in the CEO & GM Report include modifying Rate Schedules CI-TOD1, CI-TOD2, CI-TOD3 and CI-TOD4 to improve clarity and add storage systems in the list of devices that would allow customers to request an adjustment to their 12-month maximum demand; and

**WHEREAS**, the recommendations in the CEO & GM Report include updating the language in Rate Schedule CI-TOD1 to more accurately reflect the new rates nomenclature; and

**WHEREAS**, the recommendations in the CEO & GM Report include updating the applicability section of Rate Schedule CI-TOD2 to more clearly define which customers are subject to Rate Schedule CI-TOD2; and

**WHEREAS**, the recommendations in the CEO & GM Report include adding “Maximum Demand Charge” to the proration language of Rate Schedule AG to reflect current practices; and

**WHEREAS**, the recommendations in the CEO & GM Report include removing all language referencing rate category SL\_DOM\_M from Rate Schedule SLS; and

**WHEREAS**, the recommendations in the CEO & GM Report include adding language back into Rate Schedule SLS that was inadvertently removed in a prior rate action; and

**WHEREAS**, the recommendations in the CEO & GM Report include modifying Rate Schedules AG, CI-TOD1, CI-TOD2, CI-TOD3, CI-TOD4, R and R-TOD to clarify which customers are exempt from the Generator Standby Service Charge; and

**WHEREAS**, the recommendations in the CEO & GM Report include updating Rate Schedule EAPR to reflect the end of the residential low-income discount transition and add the Maximum Demand Charge to the list of rate components that qualify for the Energy Assistance Program Rate discount; and

**WHEREAS**, the recommendations in the CEO & GM Report include modifying Rate Schedule EDR by replacing the reference to the first meter read with a reference to the first billing period to align with the use of digital communicating meters; and

**WHEREAS**, the recommendations in the CEO & GM Report include modifying Rate Schedule HGA by updating the generation amount from 35,000 MWh/inch to 30,000 MWh/inch to reflect new Federal Energy Regulatory Commission (FERC) licensing requirements and data collected since the implementation of Rate Schedule HGA; and

**WHEREAS**, the recommendations in the CEO & GM Report include updating Rate Schedule RBC by adding in the Summer Peak Demand Charge and updating the reference to Rate Schedule NEM with “Rate Schedules NEM1 and SSR” to reflect the updates approved by the Board in the 2019 rate action and the new Solar and Storage Rate; and

**WHEREAS**, the recommendations in the CEO & GM Report include updating Rule and Regulation 13 – Temporary Service to more accurately reflect current practices; and

**WHEREAS**, the recommendations in the CEO & GM Report, on balance, meet the competitive rate targets and the rate design metrics in Strategic Direction 2, Competitive Rates, including:

- The Board establishes a rate target of 18 percent below Pacific Gas & Electric Company's published rates on a system average basis. In addition, the Board establishes a rate target of at least 10 percent below PG&E's published rates for each customer class;
- SMUD's rates shall be competitive with other local utilities on a system average basis;
- In addition, SMUD's rates shall be designed to balance and achieve the following goals:
  - Reflect the cost of energy when it is used or exported to the SMUD grid;
  - Reduce consumption during periods of high system demand;
  - Encourage energy efficiency, conservation and carbon reduction;
  - Encourage cost effective and environmentally beneficial Distributed Energy Resources (DERs) (examples of DERs include but are not limited to rooftop solar, battery storage and energy reduction applications);
  - Minimize the rate of change in the transition from one rate design to another;
  - Provide customers flexibility and choices;
  - Be as simple and easy to understand as possible;

- Address the needs of people with low incomes and severe medical conditions; and
- Equitably allocate costs across and within customer classes; and

**WHEREAS**, the recommendations in the CEO & GM Report will ensure SMUD meets or exceeds the financial targets in Strategic Direction 3, Access to Credit Markets, and continues to meet the metrics and targets in the other Strategic Directions adopted by this Board, including those addressing reliability, customer relations, environmental leadership, and resource planning; and

**WHEREAS**, in light of the adoption of Proposition 26 on November 2, 2010, which precludes certain new fees, levies or charges but is not retroactive as to local governments, this Board desires to maintain certain pre-Proposition 26 rates; this Board understands that Proposition 26 does not vitiate legislation adopted prior to November 3, 2010, and any changes in rates since this date are cost-justified under the analysis in the respective Chief Executive Officer and General Manager's Report and Recommendation on Rates and Services that supported the adoption of the rates; and

**WHEREAS**, the recommendations to increase rates 1.5% on March 1, 2022, and 2.0% on January 1, 2023, for all customer classes are made on an across-the-board basis to reflect SMUD's cost increases of proportionate impact on all customer classes on average and therefore does not require an examination of the allocation of costs among customer classes or of class definitions; and

**WHEREAS**, the recommendations to implement the restructuring of the commercial rate restructure bring commercial Time-of-Day (TOD) rates and small commercial customer rates closer to the cost of service, including small commercial



Energy Assistance Program Rate (EAPR) customers that receive a discounted demand charge; and

**WHEREAS**, this Board has carefully considered the CEO & GM Report public comment, input, and alternatives from community meetings, public rate workshops, the noticed public hearing, and comments received by mail, telephone and email; and

**WHEREAS**, this Board finds that the proposed action is reasonable and in the best interests of the public and SMUD's customers; **NOW, THEREFORE**,

**BE IT RESOLVED BY THE BOARD OF DIRECTORS  
OF SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

**Section 1. RATE INCREASE FOR RESIDENTIAL RATES:**

*a.* Effective March 1, 2022, adopt an increase in residential service rates by one and one half percent (1.5%). The increases will apply to all residential rates. The increases apply to the System Infrastructure Fixed Charge (SIFC), as well as the electricity usage charges and miscellaneous charges on customer bills.

*b.* Effective January 1, 2023, adopt an increase in residential service rates by two percent (2.0%). The increases will apply to all residential rates. The increases apply to the SIFC, as well as the electricity usage charges and miscellaneous charges on customer bills.

Prices in the tariffs may reflect minor rounding differences.

Revisions described above are detailed in the attached Rates, Rules and Regulations.

**Section 2. CHANGES TO RATE SCHEDULE R:**

- a. Effective January 1, 2022, add the following language in Section I,

Subsection A of Rate Schedule R:

*6. Customers who have a storage facility without an associated generating facility are not eligible to enroll in the Fixed Rate.*

- b. Effective January 1, 2022, modify Section I, Subsection A,

Subsection 3 in Rate Schedule R as follows:

*3. Customers who qualify for Rate Schedule NEM1 and have an eligible renewable electrical generation facility that was approved for installation prior to January 1, 2018 are eligible to enroll in the Fixed Rate **and** ~~NEM1~~ ~~customers that are enrolled in the Fixed Rate~~ may remain on the Fixed Rate after December 31, 2022.*

- c. Effective January 1, 2022, modify Section I, Subsection B,

Subsections 3 and 4 in Rate Schedule R as follows:

*3. Customers who have an eligible renewable electrical generation facility under Rate Schedule NEM1 that was approved for installation by SMUD before January 1, 2018, and are enrolled on the Legacy Rate may remain on this closed rate until **transitioned to SMUD's standard TOD (5-8 p.m.) Rate as early as January 1, 2023, as technically feasible** ~~December 31, 2022~~. If an eligible generation facility customer in this rate category elects an open rate, the customer cannot return to the Legacy Rate.*

*4. The Legacy Rate **will be eliminated once all** ~~terminate for~~ ~~customers with an eligible renewable electrical generation facility under Rate Schedule NEM1 on their first billing cycle that closes in 2023, and~~ ~~customers will then transition to SMUD's standard residential rate~~ **are removed from this rate and the rate transition is complete.***

d. Effective January 1, 2022, modify Section II, Subsections A, ~~B~~ and C of Rate Schedule R by adding the months for each season in the rates table and removing the following language:

~~\*Non-summer Season includes Fall (Oct 1 – Nov 30), Winter (Dec 1 – Mar 31) and Spring (Apr 1 – May 31) periods.~~

Additions and revisions described above are detailed in the attached Rates, Rules and Regulations.

**Section 3. CHANGES TO RATE SCHEDULE R-TOD:**

a. Effective January 1, 2022, add Subsection 3 to Section I in Rate Schedule R-TOD as follows:

*3. Customers who have an eligible renewable electrical generation facility under Rate Schedules NEM1 or SSR that was approved for installation by SMUD on or after January 1, 2018, or who establish service at a premises that has an electrical generation facility that is fueled by a renewable fuel source on or after January 1, 2018 must be on this Rate Schedule R-TOD.*

b. Effective January 1, 2022, modify the language in Section I, Subsection A in Rate Schedule R-TOD as follows:

*1. The TOD (5-8 p.m.) Rate is the standard rate for SMUD's residential customers. Eligible customers can elect the Fixed Rate under Rate Schedule R as an alternative rate.*

~~*2. Customers who have an eligible renewable electrical generation facility under Rate Schedule NEM1 that was approved for installation by SMUD after December 31, 2017, must be on the TOD (5-8 p.m.) Rate.*~~

***32. The TOD (5-8 p.m.) Rate is an optional rate for customers who have an eligible renewable electrical generation facility under Rate Schedule NEM1 that was approved for installation by SMUD prior to January 1, 2018.***

~~3. Customers who have an eligible renewable electrical generation facility under Rate Schedule NEM2 must be on the TOD (5-8 p.m.) Rate.~~

~~43. This rate has five kilowatt-hour (kWh) prices, depending on the time-of-day and season as shown below. Holidays are detailed in Section V. Conditions of Service.~~

c. Effective January 1, 2022, modify Section I, Subsection B,

Subsection 3 in Rate Schedule R-TOD as follows:

~~3. The TOD (4-7 p.m.) Rate will terminate for customers with an eligible renewable electrical generation facility under Rate Schedule NEM1 on their first billing cycle that closes in 2023, as early as January 1, 2023 as technically feasible. Customers will then transition to SMUD's standard residential TOD (5-8 p.m.) Rate, as determined by SMUD.~~

d. Effective January 1, 2022, modify Section II,

~~Subsections Subsection A and B~~ of Rate Schedule R-TOD by adding the months for each season in the rates table and removing the following language:

~~\*Non-summer Season includes Fall (Oct 1—Nov 30), Winter (Dec 1—Mar 31) and Spring (Apr 1—May 31) periods.~~

Additions and revisions described above are detailed in the attached Rates, Rules and Regulations.

~~Section 1, Section 4.~~ CRITICAL PEAK PRICING RATE:

a. Effective January 1, 2022, add Subsection C to Section I in Rate

Schedule R-TOD as follows:

*C. Optional Critical Peak Pricing (CPP) Rate (rate categories RTC1 and RTC2)*

*1. The CPP rate is available as of June 1, 2022 for customers who are participating in a qualifying program. Customers that have accepted a storage incentive under the Solar and Storage Rate incentive program are*

*required to enroll in this rate for a duration as determined by SMUD program rules posted on [www.smud.org](http://www.smud.org).*

*2. A maximum of 30,000 customers may be enrolled in this rate at any given time.*

*3. CPP Events may range from one to four hours, but not more than once per day. CPP Events may be called during any hour of the day during summer months, including holidays and weekends, up to 50 hours per summer. CPP Events may span multiple time-of-day periods.*

*4. CPP Events will be announced by SMUD a day in advance. However, in the event of a system emergency, announcements may occur the same day as the event.*

*5. This rate has five kilowatt-hour (kWh) prices, depending on the time-of-day and season as shown below. Holidays are detailed in Section V. Conditions of Service.*

<b>Summer</b> (Jun 1 - Sept 30)	<b>Peak</b>	Weekdays between 5:00 p.m. and 8:00 p.m.
	<b>Mid-Peak</b>	Weekdays between noon and midnight except during the Peak hours.
	<b>Off-Peak</b>	All other hours, including weekends and holidays <sup>1</sup> .
<b>Non-Summer</b> (Oct 1 - May 31)	<b>Peak</b>	Weekdays between 5:00 p.m. and 8:00 p.m.
	<b>Off-Peak</b>	All other hours, including weekends and holidays <sup>1</sup> .

<sup>1</sup> See Section V. Conditions of Service

*b. Effective January 1, 2022, add Subsection C to Section II in Rate*

Schedule R-TOD as follows:

*C. Optional Critical Peak Pricing Rate*

*1. The CPP Rate base prices per time-of-day period are the same as the prices per time-of-day period for TOD (5-8 p.m.).*

*2. The CPP Rate provides a discount per kWh on the Mid-Peak and Off-Peak prices during summer months.*

*3. During CPP Events, customers will be charged for energy used at the applicable time-of-day period rate plus the CPP Rate Event Price per kWh as shown on [www.smud.org](http://www.smud.org).*

*4. During CPP Events, energy exported to the grid will be compensated at the CPP Rate Event Price per kWh as shown on [www.smud.org](http://www.smud.org).*

*5. The CPP Rate Event Price and discount will be updated annually at SMUD's discretion and posted on [www.smud.org](http://www.smud.org)*

c. Effective January 1, 2022, customers electing to enroll in the Critical Peak Pricing Rate may also receive the Electric Vehicle discount.

d. The Critical Peak Pricing Rate will follow new rates nomenclature as determined by SMUD.

Additions and revisions described above are detailed in the attached Rates, Rules and Regulations.

**Section 2-Section 5. RATE INCREASE FOR AGRICULTURAL AND**

**COMMERCIAL RATES:**

a. Effective March 1, 2022, Commercial & Industrial Time-of-Day, General Service Temperature Dependent, Agricultural Service, Distribution Wheeling Services, and Combined Heat & Power Distributed Generation rates (Rate Schedules CI-TOD1, CI-TOD2, CI-TOD3, and CI-TOD4, formerly known as Rate Schedules GS, GS-TOU1, GS-TOU2, GS-TOU3, and Rate Schedules AG, CHP, DWS, and GS-TDP) shall be increased by one and one half percent (1.5%) through the following components:

- Electricity Usage Charges;
- System Infrastructure Fixed Charge;
- Summer Super Peak Demand Charges;

- Summer Peak Demand Charges;
- Site Infrastructure Charges;
- Maximum Demand Charges;
- Generator Standby Charges;
- Power Factor and other miscellaneous charges;
- Distribution Wheeling Charges;
- Reserved Capacity Charge/Rate

b. Effective January 1, 2023, Commercial & Industrial Time-of-Day, General Service Temperature Dependent, Agricultural Service, Distribution Wheeling Service, and Combined Heat & Power Distributed Generation rates, (Rate Schedules AG, CHP, CI-TOD1, CI-TOD2, CI-TOD3, and CI-TOD4, DWS and GS-TDP) shall be increased by two percent (2.0%) through the following components:

- Electricity Usage Charges;
- System Infrastructure Fixed Charge;
- Summer Peak Demand Charges;
- Site Infrastructure Charges;
- Maximum Demand Charges;
- Generator Standby Charges;
- Power Factor and other miscellaneous charges;
- Distribution Wheeling Charges;
- Reserved Capacity Charge/Rate

Prices in the tariffs may reflect minor rounding differences.

Revisions described above are detailed in the attached Rates, Rules and Regulations.

~~Section 3.~~ Section 6. IMPLEMENTATION OF COMMERCIAL RATE

RESTRUCTURE:

a. Effective September 17, 2021, move the transition language from Section I, Subsections A and B, to a new Section II. Transition to Restructured Commercial & Industrial Time-of-Day Rates in Rate Schedules CI-TOD2, CI-TOD3, and CI-TOD4.

b. Effective September 17, 2021, replace the language in Section II of Rate Schedule CI-TOD1 with the following language:

*II. Transition to Restructured Commercial & Industrial Time-of-Day Rates*

*1. The Legacy commercial rates (GSN\_T and GSS\_T) will be closed to new customers October 1, 2021.*

*2. Existing customers on the Legacy commercial rates will gradually transition as determined by SMUD to the new restructured Commercial & Industrial Time-of-Day rates (CITS-0 and CITS-1) beginning the first full billing cycle in October 2021.*

*3. Once a customer has been transitioned to the new restructured Commercial & Industrial Time-of-Day rate, they cannot return to the closed Legacy rate(s).*

c. Effective September 17, 2021, replace the language in Section II of Rate Schedule CI-TOD2 with the following language:

*II. Transition to Restructured Commercial & Industrial Time-of-Day Rates*

*1. The Legacy commercial rates (GUS\_S and GUP\_S) will be closed to new customers October 1, 2021.*

*2. Existing customers on the Legacy commercial rates will gradually transition as determined by SMUD to the new restructured*



*Commercial & Industrial Time-of-Day rates (CITS-2 and CITP-2) beginning the first full billing cycle in October 2021.*

*3. Once a customer has been transitioned to the new restructured Commercial & Industrial Time-of-Day rate, they cannot return to the closed Legacy rate(s).*

d. Effective September 17, 2021, replace the language in Section II of

Rate Schedule CI-TOD3 with the following language:

*II. Transition to Restructured Commercial & Industrial Time-of-Day Rates*

*1. The Legacy commercial rates (GUS\_M, GUP\_M and GUT\_M) will be closed to new customers October 1, 2021.*

*2. Existing customers on the Legacy commercial rates will gradually transition as determined by SMUD to the new restructured Commercial & Industrial Time-of-Day rates (CITS-3, CIP-3, and CITT-3) beginning the first full billing cycle in October 2021.*

*3. Once a customer has been transitioned to the new restructured Commercial & Industrial Time-of-Day rate, they cannot return to the closed Legacy rate(s).*

e. Effective September 17, 2021, replace the language in Section II of

Rate Schedule CI-TOD4 with the following language:

*II. Transition to Restructured Commercial & Industrial Time-of-Day Rates*

*1. The Legacy commercial rates (GUS\_L, GUP\_L and GUT\_L) will be closed to new customers October 1, 2021.*

*2. Existing customers on the Legacy commercial rates will gradually transition as determined by SMUD to the new restructured Commercial & Industrial Time-of-Day rates (CITS-4, CIP-4, and CITT-4) beginning the first full billing cycle in October 2021.*

3. *Once a customer has been transitioned to the new restructured Commercial & Industrial Time-of-Day rate, they cannot return to the closed Legacy rate(s).*

f. Effective September 17, 2021, modify Section III, Subsection A in Rate Schedules CI-TOD1, CI-TOD2, CI-TOD3 and CI-TOD4 by adding the closing date, October 1, 2021, to the title of Subsection A and the following sentence after the Legacy rate prices:

*All customers on these rates will be transitioned to the new restructured rates as early as October 1, 2021.*

g. Effective September 17, 2021, update the language after the price table in Section III, Subsection C in Rate Schedule CI-TOD1 as follows:

*New restructured commercial rates beyond ~~2021~~**2023** are effective as shown in Section ~~VIII~~**IX**. Transition Schedule.*

h. Effective September 17, 2021, update the language after the price table in Section III, Subsection B in Rate Schedules CI-TOD2, CI-TOD3 and CI-TOD4 as follows:

*New restructured commercial rates beyond ~~2021~~**2023** are effective as shown in Section ~~VIII~~**IX**. Transition Schedule.*

i. Effective September 17, 2021, add the Summer Super Peak Demand Charge to Section V, Subsection D of Rate Schedules CI-TOD2, CI-TOD3 and CI-TOD4 as follows:

*In addition to the Generator Standby Service Charge, SMUD will continue to bill for all applicable charges under this rate schedule. These charges include System Infrastructure Fixed Charges, Site Infrastructure Charges, **Summer Super Peak Demand Charge**, Summer Peak Demand Charges, as well as electricity usage charges for SMUD-provided power.*

j. Effective September 17, 2021, add the Maximum Demand Charge to Section V, Subsection D of Rate Schedule CI-TOD1 as follows:

*In addition to the Generator Standby Service Charge, SMUD will continue to bill for all applicable charges under this rate schedule, including, but not limited to, System Infrastructure Fixed Charges, Site Infrastructure Charges, **Maximum Demand Charge**, Summer Peak Demand Charges (if applicable) and electricity usage charges for SMUD-provided power.*

k. Effective September 17, 2021, update the date the Legacy commercial rates will close, October 1, 2021, in Section VII, Subsection A of Rate Schedules CI-TOD2, CI-TOD3 and CI-TOD4.

l. Effective September 17, 2021, modify the title of Section VII, Subsection A of Rate Schedule CI-TOD1 as follows:

*B. Legacy ~~GSN\_T, GSS\_T and GFN~~**Time-of-Use Billing Periods (closed as of October 1, 2021)***

m. Effective September 17, 2021, add the Summer Super Peak Demand Charge to Section VIII, Subsection B in Rate Schedules CI-TOD2, CI-TOD3 and CI-TOD4.

Revisions described above are detailed in the attached Rates, Rules and Regulations.

**Section 4, Section 7. MISCELLANEOUS COMMERCIAL UPDATES:**

a. Effective September 17, 2021, modify Section V, Subsection C in Rate Schedules CI-TOD1, CI-TOD2, CI-TOD3, and CI-TOD4 as follows:

*C. Implementation of Energy Efficiency or Installation of New Solar/Photovoltaic **or Storage Systems***

*Customers who implement a SMUD-sponsored Energy Efficiency program or who install a SMUD-approved solar/photovoltaic **or storage** system to offset their on-site energy usage may request, in writing, within 30 days of*

*the project completion and commissioning, an adjustment to their ~~billing demand~~ **twelve month maximum demand** based on the anticipated reduction in kW from the Energy Efficiency Project Worksheet. The ~~adjusted billing demand~~ **twelve month maximum demand** is valid for 12 months or until it is exceeded by actual maximum demand.*

b. Effective September 17, 2021, move Section V, Subsection D to a new Section VII. Commercial & Industrial Time-of-Day Billing Periods, with the remaining section numbers updated accordingly in Rate Schedules CI-TOD2, CI-TOD3, and CI-TOD4.

c. Effective September 17, 2021, add the holidays in Section VII, Subsection A of Rate Schedules CI-TOD2, CI-TOD3, and CI-TOD4.

d. Effective September 17, 2021, modify the title of Section VII, Subsection B of Rate Schedule CI-TOD1 as follows:

***B. Restructured ~~CITS-0 and CITS-1~~ Time-of-Day Billing Periods***

Additions and revisions described above are detailed in the attached Rates, Rules and Regulations.

**~~Section 5, Section 8.~~ MODIFICATIONS TO RATE SCHEDULE CI-**

TOD1:

a. Effective September 17, 2021, update Section I, Subsection A of Rate Schedule CI-TOD1 as follows:

*These rates apply to Commercial & Industrial Time-of-Day accounts with a monthly maximum demand of 20 kW or less. Whenever the monthly maximum demand exceeds 20 kW for any three consecutive months and the monthly energy usage is at least 7,300 kWh for any three consecutive months within a 12-month period, the account will be billed on the applicable ~~demand~~ rate. To return to the ~~non~~**demand CITS-0** rate, the monthly maximum demand must be 20 kW or less for 12-consecutive months or the usage must be less than 7,300 kWh for 12 consecutive*

months.

- b. Effective September 17, 2021, update Section I, Subsection C of

Rate Schedule CI-TOD1 as follows:

*These rates apply to Commercial & Industrial Time-of-Day accounts with a monthly maximum demand of at least 21 kW but does not exceed 299 kW for any three consecutive months and monthly energy usage of at least 7,300 kWh for any three consecutive months within a 12-month period. The customer will be billed on this ~~demand~~ rate unless the monthly usage is less than 7,300 kWh for 12 consecutive months; or the maximum demand falls below 21 kW for 12 consecutive months; or the monthly maximum demand exceeds 299 kW for three consecutive months.*

Revisions described above are detailed in the attached Rates, Rules and Regulations.

**Section 6. Section 9.** MODIFICATIONS TO RATE SCHEDULE CI-

TOD2:

- a. Effective September 17, 2021, modify Section I of Rate Schedule

CI-TOD2 as follows:

*This Rate Schedule CI-TOD2 applies to single- or three-phase service, delivered at standard voltages designated by SMUD as available at the customer's premises. This schedule is mandatory for all commercial and industrial (C&I) accounts with monthly maximum demand of at least 300 kW for three consecutive months, but not greater than 499 kW for three consecutive months during the preceding 12 months, ~~and for all accounts previously served at the primary level on Rate Schedule GS.~~ Accounts **served at the secondary service voltage level** will remain on the CI-TOD2 rate schedule unless monthly maximum demand falls below 300 kW for 12 consecutive months or exceeds 499 kW for three consecutive months. **Accounts served at the primary service voltage level will remain on the CI-TOD2 rate schedule unless monthly maximum demand exceeds 499 kW for three consecutive months.** This schedule is also mandatory for accounts with contract capacity of at least 300 kW, but not greater than 499 kW. The demand for any month shall be the maximum 15-minute kW delivery during the month.*

Revisions described above are detailed in the attached Rates, Rules and Regulations.

**Section 7. Section 10.** MODIFICATIONS TO RATE SCHEDULE AG:

Effective January 1, 2022, add “Maximum Demand Charge” to the proration language in Section VI, Subsection B of Rate Schedule AG.

Revisions described above are detailed in the attached Rates, Rules and Regulations.

**Section 8. Section 11.** CHANGES TO STREET, TRAFFIC, AND LIGHTING SERVICES:

a. Effective March 1, 2022, Lighting Services (Rate Schedules SLS, TSS, TC ILS and NLGT) billing components shall be increased by one and one half percent (1.5%). The rate increases do not apply to monthly leasing and maintenance charges for street lighting lamps and fixtures.

b. Effective January 1, 2023, Lighting Services (Rate Schedules SLS, TSS, TC ILS and NLGT) billing components shall be increased by two percent (2.0%). The rate increases do not apply to monthly leasing and maintenance charges for street lighting lamps and fixtures.

The prices in the tariff may reflect minor rounding differences.

Revisions described above are detailed in the attached Rates, Rules and Regulations.

**Section 9. Section 12.** MISCELLANEOUS CHANGES TO RATE SCHEDULE SLS:

Effective March 1, 2022, remove all reference and prices for SL\_DOM\_M from Rate Schedule SLS and add “Effective the first full billing cycle after the following date(s), the charge will be as follows:” in Section V, Subsection A.

Revisions described above are detailed in the attached Rates, Rules and Regulations. \_

**~~Section 10.~~Section 13. MISCELLANEOUS UPDATES DUE TO  
COMMERCIAL RESTRUCTURE DELAY:**

*a.* Effective September 17, 2021, modify Rate Schedule CB by adding “Summer Super Peak Demand Charge” to Section VI, Subsection B.

*b.* Effective September 17, 2021, modify Rate Schedule EAPR by adding “Summer Super Peak Demand Charge” to Section V, Subsection A.

*c.* Effective September 17, 2021, modify Rate Schedule EDR by adding “Summer Super Peak Demand Charge” to Section III, Subsections A and B.

Revisions described above are detailed in the attached Rates, Rules and Regulations.

**~~Section 11.~~Section 14. MODIFICATIONS TO GENERATOR  
STANDBY SERVICE LANGUAGE:**

*a.* Effective September 17, 2021, delete Section V, Subsection D, Subsection 2 of Rate Schedules CI-TOD1, CI-TOD2, CI-TOD3 and CI-TOD4.

*b.* Effective September 17, 2021, modify the following language in Section V, Subsection D of Rate Schedules CI-TOD1, CI-TOD2, CI-TOD3 and CI-TOD4 as follows:

*The Generator Standby Service Charge will be waived **only** for qualifying **renewable net metered** generation. Refer to **under** Rate Schedules NEM1 and ~~NEM2~~**SSR**.*

c. Effective March 1, 2022, delete Section IV, Subsection E, Subsection 2 of Rate Schedule R.

d. Effective March 1, 2022, modify the following language in Section IV, Subsection E of Rate Schedule R as follows:

*The Generator Standby Service Charge will be waived **only** for qualifying **renewable net metered** generation. Refer to **under** Rate Schedules NEM1 and ~~NEM2~~**SSR**.*

e. Effective March 1, 2022, delete Section IV, Subsection D, Subsection 2 of Rate Schedule R-TOD.

f. Effective March 1, 2022, modify the following language in Section IV, Subsection D of Rate Schedule R-TOD as follows:

*The Generator Standby Service Charge will be waived **only** for qualifying **renewable net metered** generation. Refer to **under** Rate Schedules NEM1 and ~~NEM2~~**SSR**.*

g. Effective March 1, 2022, delete Section IV, Subsection A, Subsection 2 of Rate Schedule AG.

h. Effective March 1, 2022, modify the following language in Section IV, Subsection A of Rate Schedule AG as follows:

*The Generator Standby Service Charge will be waived **only** for qualifying **renewable net metered** generation. Refer to **under** Rate Schedules NEM1 and ~~NEM2~~**SSR**.*

Revisions described above are detailed in the attached Rates, Rules and Regulations.



~~Section 12.~~Section 15. MODIFICATIONS TO RATE SCHEDULE

EAPR:

a. Effective September 17, 2021, add “Maximum Demand Charge (kW)” to Section V, Subsection A in Rate Schedule EAPR.

b. Effective January 1, 2022, remove the following language from Section III of Rate Schedule EAPR:

*Beginning as early as the first full bill cycle in 2021*

c. Effective January 1, 2022, remove the reference to 2021 in the table in Section III, Subsection 2 of Rate Schedule EAPR.

Revisions described above are detailed in the attached Rates, Rules and Regulations.

~~Section 13.~~Section 16. MODIFICATIONS TO RATE SCHEDULE EDR:

Effective September 17, 2021, modify Section IV, Subsection B of Rate Schedule EDR as follows:

*New customers must apply for the EDR option prior to commencement of service with SMUD. Temporary service is not eligible for the EDR option. Applicants will have 12 months from the agreement date to reach the maximum demand of at least 300 kW load requirement. The effective start date for the EDR for new customers is the date of the ~~first meter read for billing~~ **first billing period** after three consecutive months with a maximum demand of at least 300 kW*

Revisions described above are detailed in the attached Rates, Rules and Regulations.

~~Section 14.~~Section 17. MODIFICATIONS TO RATE SCHEDULE

HGA:

a. Effective January 1, 2022, modify Section II, Subsection A of Rate Schedules HGA as follows:

*SMUD estimates that each inch of precipitation results in ~~35,000~~ **30,000** megawatt hours (MWh) of generation.*

- b. Effective January 1, 2022, modify Section III, Subsection B of Rate

Schedule HGA as follows:

*Generation Conversion*

$$\pm IPV \times \del{35,000} \mathbf{30,000} \text{ MWh/inch} = \pm \text{MWh}$$

*The variance of hydro generation, in megawatt hours, equals the inches of precipitation variance x ~~35,000~~ **30,000** MWh/inch.*

Revisions described above are detailed in the attached Rates, Rules and Regulations.

**~~Section 15.~~Section 18.** MODIFICATIONS TO RATE SCHEDULE RBC:

- a. Effective September 17, 2021, modify Section VI, Subsection C of

Rate Schedule RBC as follows:

*Customers taking service on this Rate Schedule are not eligible to take service on Rate Schedules ~~Net Energy Metering (NEM)~~ **NEM1 or SSR.***

- b. Effective September 17, 2021, add “Summer Peak Demand Charge” to Section IV, Subsection A of Rate Schedule RBC.

Revisions described above are detailed in the attached Rates, Rules and Regulations.

**~~Section 16.~~Section 19.** UPDATE RULE AND REGULATION 13:

- a. Effective September 17, 2021, modify Section II of Rule and

Regulation 13 as follows:

*Within three years of the date when service was first delivered, service will be considered permanent and payments made in excess of **delinquent** meter and service charges shall be refunded without interest when a customer served under this rule has requested a refund of temporary charges, and has:*

1. *Installed sewer, water, and foundation; or*
2. *Operated the same or greater electrical load originally installed for a period of 36 consecutive months from the date when service was first delivered under this rule.*

Revisions described above are detailed in the attached Rates, Rules and Regulations.

**Section 17. Section 20. ALTERNATIVE RECOMMENDATION 1:**

SMUD received a recommendation to back out the “9.2% scalar” built into the original time of day (TOD) rates in 2017, plus all of the across the board rate increases that have increased that scalar up to about 10.7% before applying the proposed 1.5% and 2.0% rate increases.

This Board has considered this alternative recommendation 1 and has determined not to adopt the alternative recommendation for the following reasons:

- This rate action does not address the current residential 2021 rates.  
This Board approved the current residential 2021 rates in the 2019 rate action.
- The use of a scalar is described in the 2017 CEO & GM Report, under Appendix I. The scalar was used to reconcile marginal cost to achieve a revenue neutral restructured TOD rate design prior to adjusting the

rates with the proposed 2018 and 2019 rate increases adopted in 2017.

- Increasing marginal cost rates by a scalar (or equal percentage of marginal cost) is an accepted practice by the industry and is used to ensure sufficient collection of revenue to meet costs.

~~Section 18.~~Section 21. MODIFICATIONS: The Chief Executive Officer and General Manager, or his or her designee, is authorized to make non-substantive revisions to the Rates, Rules and Regulations.

~~Section 19.~~Section 22. ENVIRONMENTAL COMPLIANCE:

1.0 Section 21080(b)(8) of the California Public Resource Code and Section 15273 of the California Environmental Quality Act (CEQA) Guidelines (California Code of Regulations, Title 14, Sections 15000, et seq.) provide, in relevant part, that CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, and other charges by public agencies which the public agency finds are for the purposes set forth in (A) through (D) below, and that a public agency shall incorporate written findings in the record in any proceeding in which an exemption is claimed setting forth with specificity the basis for the claim for exemption:

- (A) meeting operating expenses, including employee wage rates and fringe benefits,
- (B) purchasing or leasing supplies, equipment, or materials,
- (C) meeting financial reserve needs and requirements, or

(D) obtaining funds for capital projects necessary to maintain service within existing service areas.

2.0 This Board finds and declares:

(A) That all revenue produced by each and every one of the rate actions set forth in this Resolution shall exclusively be used for purposes permitted by Sections 21080(b)(8)(A) through (D) of the California Public Resource Code, and that no amount of revenue obtained from this rate increase shall be used for any other purpose. Therefore, all of the foregoing rate actions are exempt from CEQA.

(C) The above findings are based on information set forth in the CEO & GM Report.

~~Section 20.~~Section 23. The new and revised Rate Schedules and Rules and Regulations referenced in this Resolution are attached and incorporated herein as Attachment \_\_\_\_.

~~Section 21.~~Section 24. To the extent there is a discrepancy between this Resolution and the new and revised Rate Schedules and Rules and Regulations attached hereto, the new and revised Rate Schedules and Rules and Regulations shall control.