

# Exhibit to Agenda Item # 1

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

Wednesday, February 17, 2021, scheduled to begin at 5:30 p.m.

Virtual Meeting (online)

# WAPA Base Resource Electric Service

## Requested Action:

Authorize the CEO and GM, or his delegate, to execute a contract for Electric Service Base Resource, with Western Area Power Administration (WAPA), for a 30-year term of 1/1/2025 thru 12/31/2054, with option to reduce or terminate Base Resource Share, prior to the start date and approximately every 5 years, substantially in the form attached.

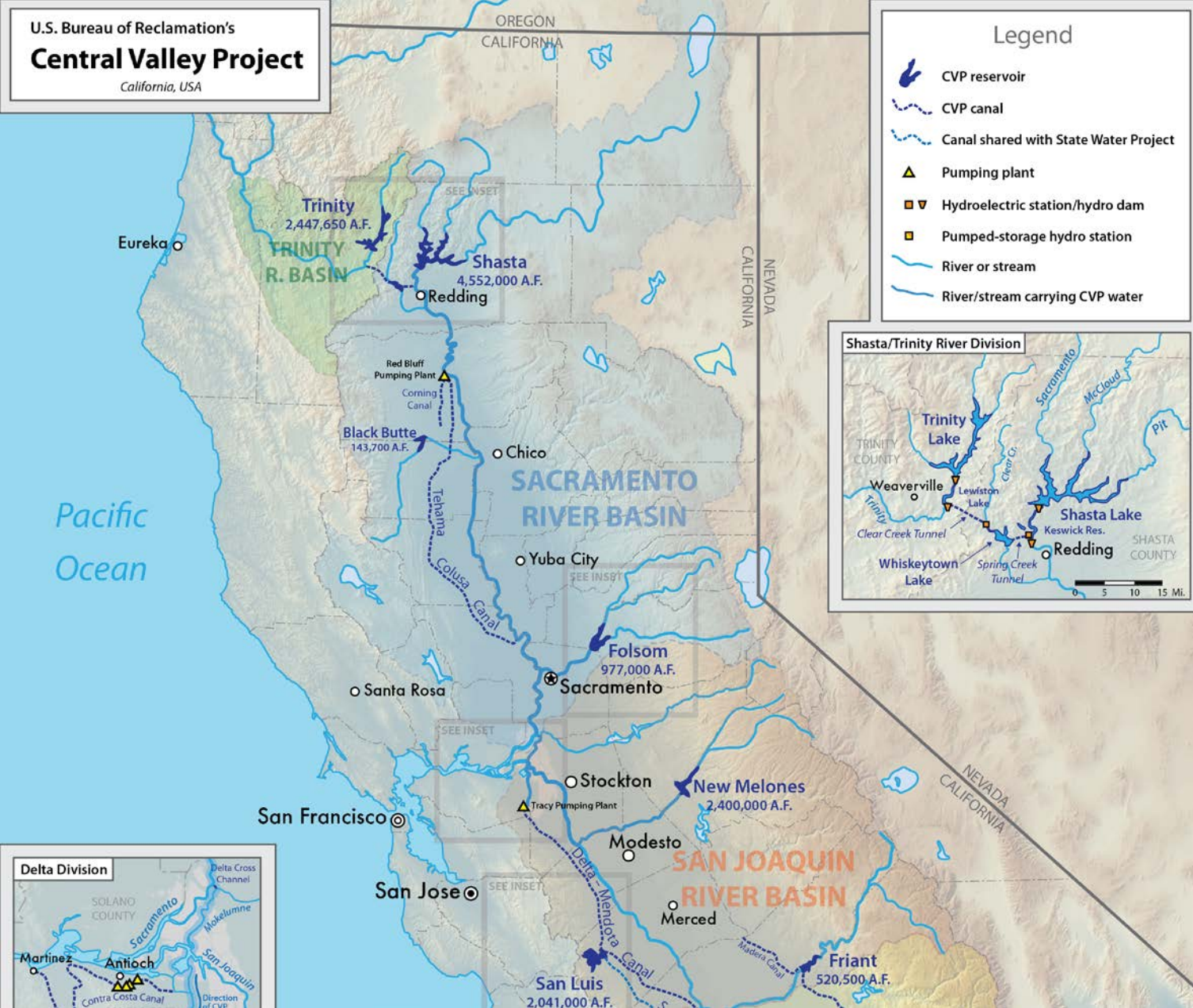
# WAPA Base Resource Electric Service

## Context:

SMUD first contracted with the US Bureau of Reclamation for the Central Valley Project's (CVP) Base Resource California hydropower in the 1950's. Current contract expires 12/31/2024.

Now marketed by WAPA, the CVP is SMUD's largest source of contracted carbon-free energy. CVP energy deliveries are highest April through October and are a valuable capacity resource for meeting SMUD's peak load months of June through September.

WAPA constructed transmission lines to deliver hydropower from the Pacific Northwest projects and the CVP to WAPA's customers.



# WAPA Base Resource Electric Service

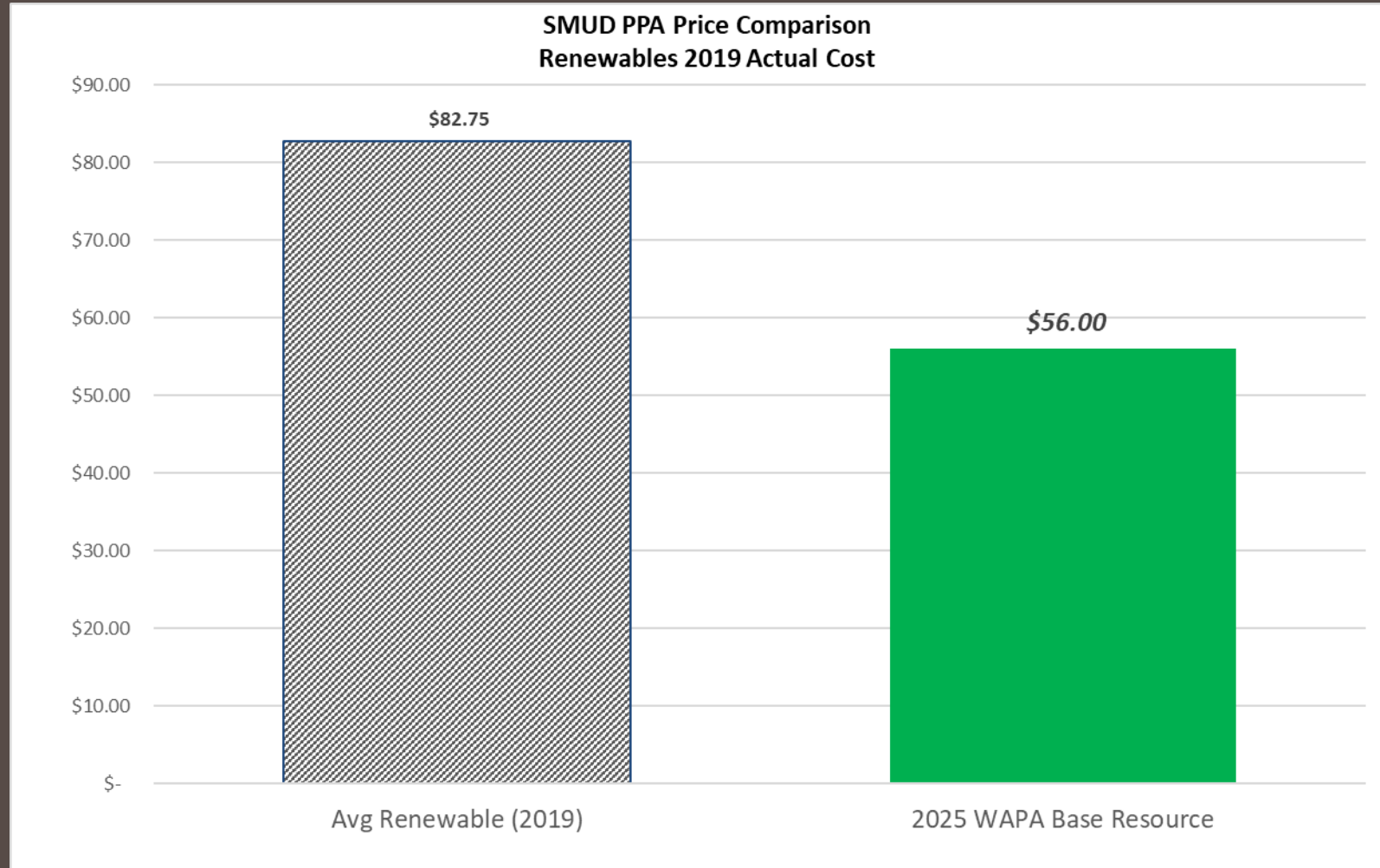
Eleven (11) hydroelectric power plants with a total capacity of 2,100 MW of which SMUD has a 25% share of generation & costs.

Over the last 7 years, energy received has averaged 711,639 MWh per year and energy costs have averaged \$40.35/MWh.

# WAPA Base Resource Electric Service

- The agreement provides SMUD with a 25% share of the Base Resource, subject to adjustment in 2040.
- CVP customers are required to pay their percentage share of WAPA's Base Resource costs, independent of the actual energy deliveries. First year costs in 2025 are estimated at \$31,752,000.
- Market conditions for energy may change and SMUD has the option to reduce share or terminate the agreement approximately every 5 years.

# WAPA Base Resource Electric Service



WAPA Average Annual Cost Estimate =  
\$49/MWh 10 years: 2025 - 2034  
\$56/MWh 30 years: 2025 - 2054

# WAPA Base Resource Electric Service

Board Policy: SD-2, Competitive Rates; SD-7, Environmental Leadership; SD-9 Resource Planning.

This contract provides economic zero carbon power and will be a key contributor to achieving our 2030 Zero Carbon Plan.

WAPA schedules energy to meet customers seasonal and hourly energy needs. Further, Base Resource Customers have access to separate contracts for the transmission of carbon free energy from the Pacific Northwest.

# WAPA Base Resource Electric Service

## Requested Action:

Authorize the CEO and GM, or his delegate, to execute a contract for Electric Service Base Resource, with Western Area Power Administration (WAPA), for a 30-year term of 1/1/2025 thru 12/31/2054, with option to reduce or terminate Base Resource Share, prior to the start date and approximately every 5 years, substantially in the form attached.



# Supplemental Slides

# WAPA Base Resource Electric Service

WAPA Base Resource Annual Totals							
	2019	2018	2017	2016	2015	2014	2013
MWh Received	700,018	588,817	1,118,580	581,115	444,371	595,825	952,748
PRR	\$ 16,361,209	\$16,788,288	\$19,417,133	\$17,025,360	\$16,449,981	\$19,801,142	\$21,836,785
Restoration Fund Costs	\$ 5,313,946	\$4,503,828	\$7,315,649	\$10,417,882	\$11,236,383	\$11,867,107	\$5,572,756
\$/MWh	\$30.96	\$36.16	\$23.90	\$47.23	\$62.30	\$53.15	\$28.77
WAPA Base Resource Average 2012 -2019	Annual						
Energy Received (MWh)	711,639						
Cost \$/MWh	\$40.35						