

Exhibit to Agenda Item # 1

Authorize the Chief Executive Officer and General Manager to award a direct procurement contract to **Zeus Electric Chassis, Inc.** for five all-electric work trucks for a two-year term for a not-to-exceed amount of \$1.2 million.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting
Wednesday, January 20, 2021, scheduled to begin at 5:30 p.m.

Virtual Meeting (online)

Background information

Zeus Electric Chassis, Inc.

- A start-up based out of Lindstrom, MN originally introduced to SMUD by the California Mobility Center (CMC), Zeus is currently a client of CMC
- Long term Zeus will partner with local upfitters for final assembly through the CMC bringing this technology and job opportunities to the region
- Zeus is engaged with CMC and other firms within the CMC ecosystem such as, California Strategies and E-Source to bring their product to a broader market
- SMUD and Zeus have been developing draft specifications for +6 months



CALIFORNIA STRATEGIES



ZEUS
ELECTRIC CHASSIS

Procurement strategy

Direct procurement

- Zeus is the only custom upfit all electric truck manufacturer in North America for class 4, 5, and 6 vehicles
- Customized configuration of chassis, cab, and body enable many applications across SMUD's medium duty fleet
- Early customer pricing (no profit or added margin)

Additional benefits

- Demonstrates fleet electrification for the region and utilities
- Potential to create job growth and bring new technology to Sacramento
- CARB and AQMD authorizations for market entry and incentives in progress



Specification summary

Five all-electric work trucks

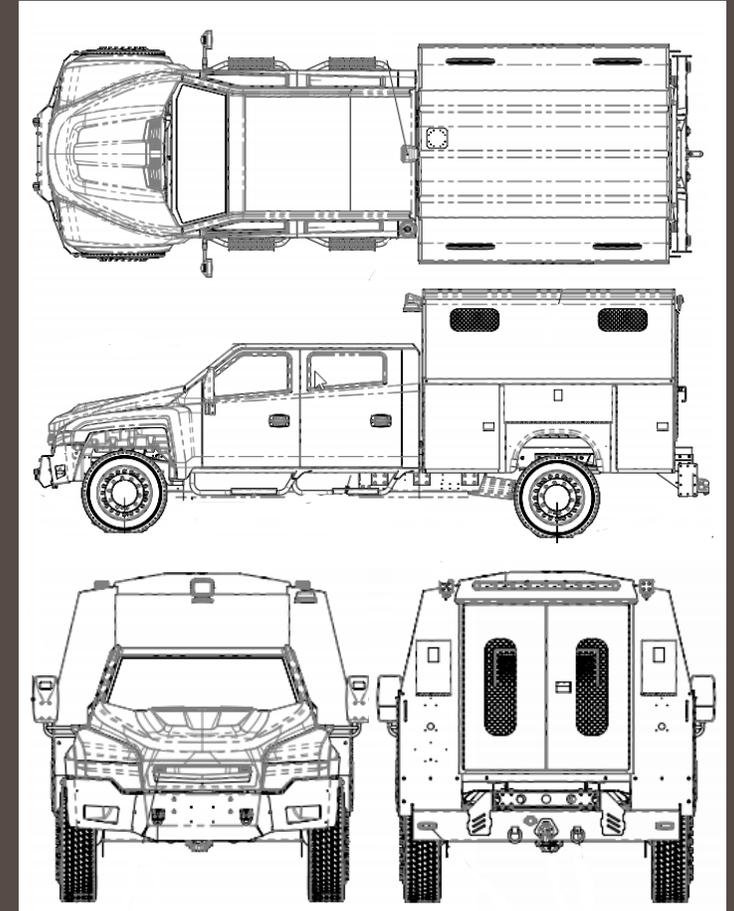
- 105 kWh battery system
- DC fast charge capability, SMUD will use level 2
- Four-wheel drive
- Aluminum cab construction
- Federal motor vehicle safety standard compliant (FMVSS)
- Nominal range is 150 miles, will depend on specification and gross vehicle weight rating
- Includes GPS and telematics system for real-time diagnostics and analytics
- Advanced battery thermal management system
- 15 kW of export power available on-board



Purchase investment summary

ID#	Vehicle	Zeus Cost	Market Cost	Funding	Net Investment
0143B	Flatbed Truck	\$211,315	\$77,900	\$100,000	\$33,415
1731P	Service Truck	\$220,985	\$102,224	\$100,000	\$18,761
1957P	Foreman Truck	\$239,915	\$125,791	\$100,000	\$14,124
0152B	Box Truck	\$196,561	\$120,000	\$100,000	(\$23,439)
1926P	Service Truck	\$237,141	\$80,000	\$100,000	\$57,141
	Total:	\$1,105,917	\$505,915	\$500,000	\$100,002

- Purchase investments were included in 2021 board approved budget
- All costs are estimated, may change depending on final specifications
- Funding estimate; California HVIP 2019 to 2020 for 14,001 to 26,000 GVWR



Business case for fleet electrification

Estimated savings

- \$21,551 avoided maintenance cost annually
- \$14,361 avoided fuel (diesel) cost annually
- \$302,120 to \$481,680 savings for expected life of vehicles (10 to 15 years)

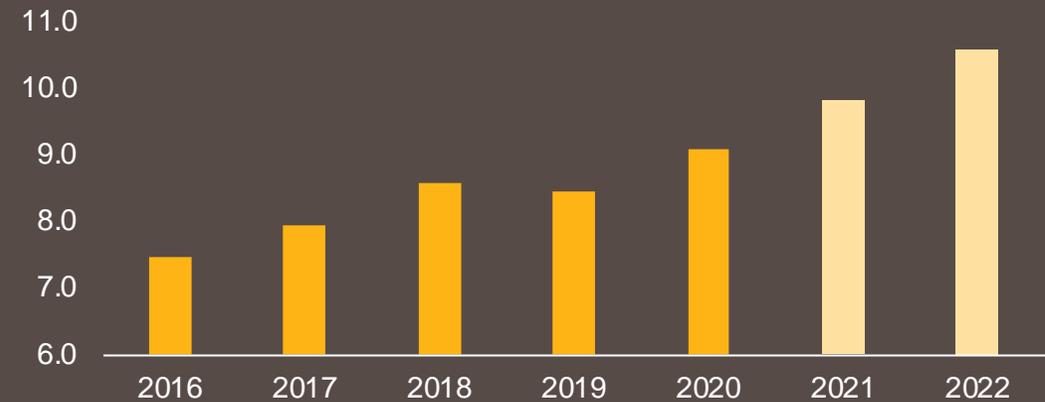
Return on investment

- Net investment of \$100,002
- ~3-year ROI including funding offsets
- Removes 5 medium duty diesel trucks from the road and associated emissions
- Demonstrates fleet electrification in medium duty truck category (class 4 and class 5)
- Accelerates adoption of fleet electrification

Fleet Electrification %



Fuel Economy (Miles per Gallon)



Action request

Authorize the Chief Executive Officer and General Manager to award a direct procurement contract to Zeus Electric Chassis, Inc. for five all-electric work trucks for a two-year term for a not-to-exceed amount of \$1.2 million.

