

# Exhibit to Agenda Item # 3

Authorize the Chief Executive Officer and General Manager to negotiate and execute the **Sacramento Valley Energy Center LLC (SVEC) Power Purchase Agreement** for a 27-year term, with one optional three-year extension for a total of 30 years, and all other agreements necessary to facilitate the **SVEC** project for 200 MW of solar photovoltaic power (Solar PV) and 100 MW of battery storage.

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

Tuesday, June 16, 2021, scheduled to begin at 5:30 p.m.

Virtual Meeting (online)

# SVEC Solar PV & Battery Storage PPA

## Board Policy

- SD-2, Competitive Rates: SD-7, Environmental Leadership: SD-9  
Resource Planning:

## Background

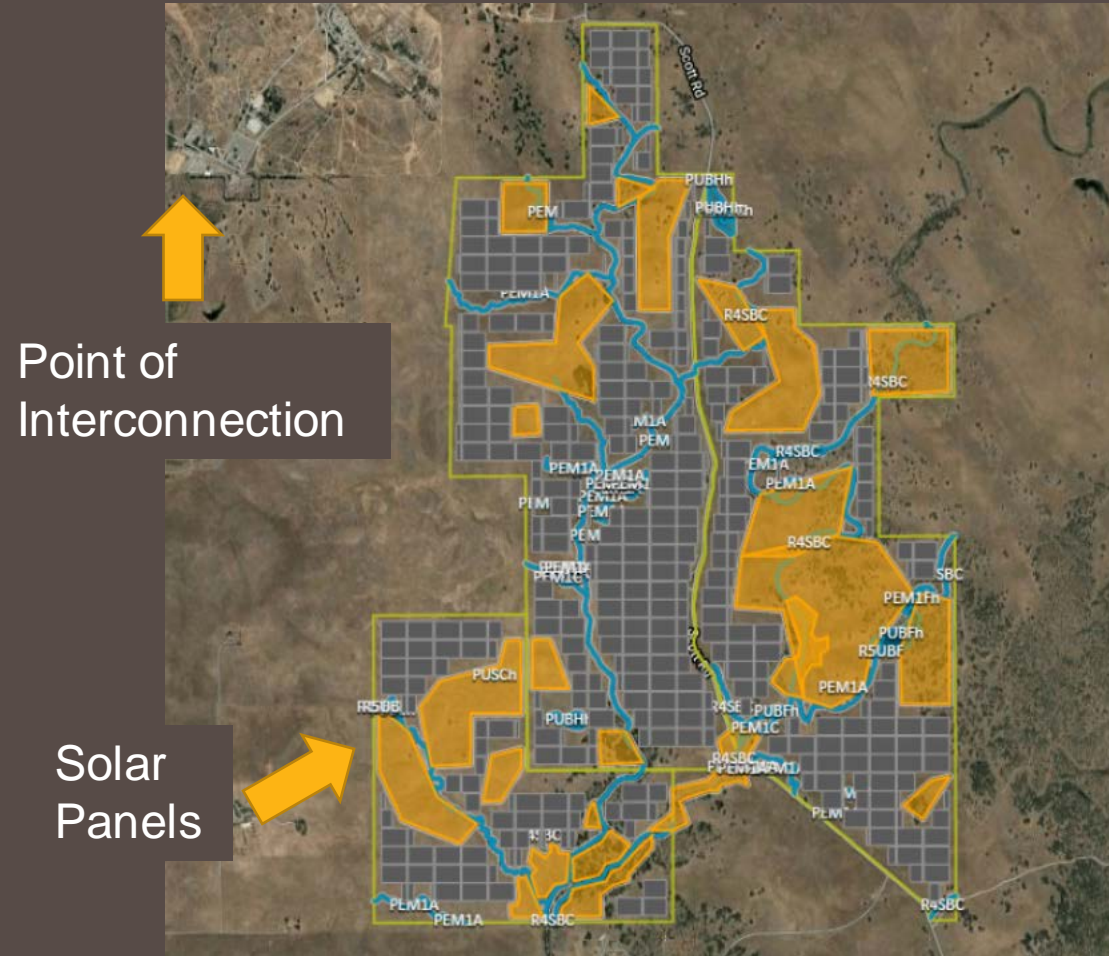
- In 2020, SMUD received a competitive offer from D. E. Shaw Renewable Investments (DESRI), a leading national independent power producer.
- SMUD conducted an evaluation of the market and determined that the Sacramento Valley Energy Center (SVEC) project offer provided superior value vs. alternatives.

# SVEC Solar PV & Battery Storage PPA

## Context

- SMUD will purchase the energy, capacity, and environmental attributes, including Portfolio Content Category 1 Renewable Energy Credits (PCC1 RECs).
- The project is located in the eastern portion of SMUD's service territory.
- The point of interconnection limit is 250 MW.

# SVEC Solar PV & Battery Storage PPA



(1) Note: Preliminary layout – exact project boundaries to be finalized.



# SVEC Solar PV & Battery Storage PPA



SVEC Project Substation

SMUD Switching Station

Gen-Tie Line

# SVEC Solar PV & Battery Storage PPA

## Context

- Over 500,000 MWh/year of carbon free energy generated locally, or roughly 5% of our load, and 100 MW of dispatchable energy storage for a 4-hour duration.
- This contract provides economic, zero carbon power and will be a key contributor to achieving our 2030 Zero Carbon Plan.

# SVEC Solar PV & Battery Storage PPA

## Key Contract Terms

- Volume: 200 MW Solar PV, 100 MW 4-hr Battery Storage
- Solar Price: \$33.20/MW with no escalation
- Battery Price: \$8.48/kw-mo with no escalation
- Annual cost: \$17.4 million for solar, \$10.1 million for battery storage
- Scheduled COD is December 31, 2023
- Term: 30 years; December 2023 – December 2053

# SVEC Solar PV & Battery Storage PPA

## Requested Action

Authorize the Chief Executive Officer and General Manager, or his designee, to negotiate and execute the **Sacramento Valley Energy Center LLC (SVEC) Power Purchase Agreement (PPA)** with a 27-year (with an option to extend for an additional 3 years for a total of 30 years) term, substantially in the form attached, and all other agreements necessary to facilitate the **SVEC** project for 200 MW of solar photovoltaic power (Solar PV) and 100 MW of battery storage.