

Exhibit to Agenda Item #1b

Legal, Government Affairs & Reliability Compliance 2022 Proposed Budget.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting
Tuesday, November 9, 2021, scheduled to begin at 5:30 p.m.

Virtual Meeting (online)

Legal, Government Affairs & Reliability Compliance

2022 Initiatives

Laura Lewis

Chief Legal & Government Affairs Officer





Safety & Reliability

- Western Electricity Coordinating Council (WECC) Audit of North American Electric Reliability Corporation (NERC) Standards SD-4, 17
- Compliance with legislative and regulatory mandates (e.g., in response to extreme weather events) SD-7, 17
- Ensuring information management requirements are met in new and existing systems SD-16
- Increasing Internal Control focus to mitigate reliability risk in high-risk areas SD-4, 17
- Ensure cybersecurity protections are in place and actively monitored SD-16
 - Using Domain Registries to reduce cybersecurity risk



Affordability

- Federal grant assistance supporting 2030 Zero Carbon Plan SD-2, 11
- Legal support for new revenue opportunities and monetization of intellectual property SD-2, 7
- Execute litigation strategies for defense and cost recovery SD-2
 - Union Pacific Railroad
 - Rancho Seco settlement (annual claims process)
- Defend against costly mandates (e.g., wildfire mitigation, pole attachments) SD-2, 11





Organizational Agility

- Improvements to evidence gathering and controls to better protect SMUD against property damage and injury claims SD-2, 5, 17
- Enhancement of Document Usability and Control SD-2, 8
 - Implementation of email records management policy
 - Streamlining of records classification and evaluation process
- Participate in wholesale energy market development SD-7, 9, 11





Environmental Leadership

- Proactive advocacy at the local, state, and federal level that advances our strategic directives SD-7, 9, 11
 - Transportation and building electrification (ex. Advanced Clean Fleet)
 - California Air Resources Board (CARB) 2022 Scoping Plan
 - Distributed Energy Resource (DER) policy
 - California Energy Commission (CEC) Load Management Standard (LMS)
 - State clean energy project funding
 - Federal clean energy legislation/rule making

- Draft and negotiate power purchase agreements SD-2, 9

- Legal/Government Affairs support for solar development (property rights & permitting) SD-2, 7, 9

- Establish firmer parameters around wind and other renewable development through litigation (*Solano County v SMUD*) and legislative outreach SD-2, 7



Community Vitality

- Provide legal counsel that advances SMUD business objectives in the community SD-2, 5, 7, 8
 - Sustainable communities
 - 59th Street re-use
- Local and regional government collaboration on building and transportation electrification in support of the 2030 Zero Carbon Plan SD-5, 13, 15

