

Exhibit to Agenda Item #1

Accept the monitoring report for **Strategic Direction SD-11, Public Power Business Model.**

Board Policy Committee and Special SMUD Board of Directors Meeting
Wednesday, November 30, 2022, scheduled to begin at 5:30 p.m.
Virtual Meeting (online)

Public power business model



Core value

**SD-11 guides legislative
and regulatory advocacy**



In compliance with SD-11

Public power business model

SD-11



Supporting and strengthening the public power business model is a core value. Local decision making and flexibility are essential to effective and responsible local governance.



Community-owned utilities are primarily accountable to their customers, not stockholders. Community citizens have a direct voice in public power decisions.



Preservation of this business model is vital to ensure public power systems continue to provide innovative solutions tailored to best meet the needs of their customers and communities.

Public power business model

State legislative issues

Allocation for \$10 million in state funding for unpaid SMUD bills.

SB 1020
Clean Energy, Job and Affordability Act

Advocacy on legislation that impacts the public power business model

- AB 2070 – Hot Work and Deenergization Notice Requirements
- SB 1391 – Market-based Compliance Mechanism
- SB 1109 – Biomass Procurement Mandate

Public power business model

Federal legislative issues



Neighborhood Electrification

\$7M earmark, including SMUD matching funds, to fully electrify entire neighborhood (Meadowview)



Inflation Reduction Act & Bipartisan Infrastructure Law

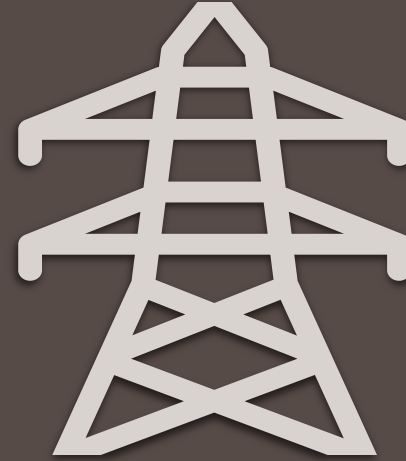
SMUD can access direct pay incentives for projects if qualifications are met

Public power business model

Regulatory Issues



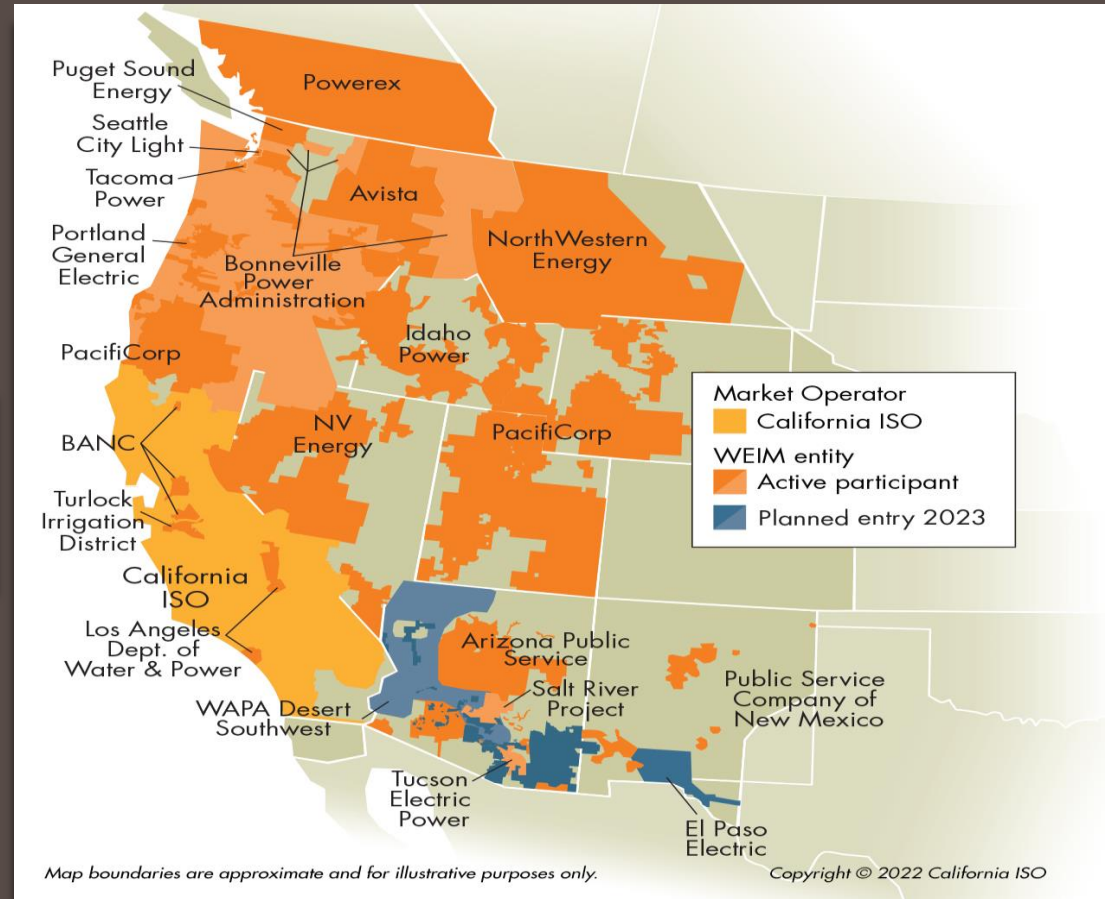
Advanced Clean
Fleets



Load Management
Standards

Public power business model Regulatory Issues

Regional Markets



Q&A