Exhibit to Agenda Item #1

Accept the monitoring report for Strategic Direction SD-2, Competitive Rates.

Board Policy Committee and Special SMUD Board of Directors Meeting
Wednesday, February 8, 2023, scheduled to begin at 5:30 p.m.
Virtual Meeting (online)
SD-2 Competitive Rates – Board Directions

- SMUD shall be 18% below PG&E’s rates (system average basis)
- SMUD’s rates shall be competitive with other local utilities (system average basis)
- Rates shall be designed to balance and achieve the following goals

1. Reflect the cost of energy when used or exported
2. Reduce use during periods of high demand
3. Encourage energy efficiency, conservation, carbon reduction & DERs
4. Equitability: allocate costs across & within customer classes
5. Minimize rate of change during rate transitions
6. Be as simple & easy to understand as possible
7. Provide flexibility & choices
8. Meet the needs of people with low incomes

February 8, 2023
Board Policy Committee and Special SMUD Board of Directors Meeting
## Comparison to PG&E Rates

### 2022 Average Price Comparison in $/kWh

<table>
<thead>
<tr>
<th>Class</th>
<th>Description</th>
<th>Difference Range Below PG&amp;E 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>All residential rates</td>
<td>42.9%</td>
</tr>
<tr>
<td>Residential EAPR</td>
<td>All low income residential rates</td>
<td>42.0%</td>
</tr>
<tr>
<td>Commercial</td>
<td>All commercial rates</td>
<td>44.4% - 51.6%</td>
</tr>
<tr>
<td>Other</td>
<td>Street light, traffic signals and Ag</td>
<td>48.6% - 58.6%</td>
</tr>
<tr>
<td>System</td>
<td>All rates</td>
<td>45.5%</td>
</tr>
</tbody>
</table>

As of June 1, 2022

SMUD’s system average rate is 45.5% below PG&E, which results in approximately $1.3 Billion annually in community savings. On average, this is about $1000 of annual savings for residential customers.
SMUD continues to have one of the lowest system average rates as compared to other neighboring utilities.

Source: US Energy Information Administration, 2021 EIA-861
Rates effective as of December 1, 2022. Average bills include applicable fixed monthly charge, energy charge and surcharges, and exclude local taxes. SMUD and PG&E bill comparison is based on standard Time-of-Day pricing.

SMUD has time-based rates, while the other utilities have tiered rate structures.

February 8, 2023

Board Policy Committee and Special SMUD Board of Directors Meeting
SMUD’s Time-of-Day (TOD) rate is competitive in all time periods as compared to PG&E’s standard time of use rate.

Rates effective as of January 1, 2023. Chart does not include SMUD’s System Infrastructure Fixed Charged and PG&E’s equivalent charge. Summer prices represent PG&E standard TOU-C rate and SMUD standard TOD rate.
TOD Rates Continue to Reduce Residential Peak

Customers use more in the less expensive time buckets and less in the 5 – 8 p.m. time period

Customers continue to reduce energy usage during the 5 – 8 p.m. time period

Residential Peak Day kWh

Peak Hours
5 - 8 p.m.
Questions?