Exhibit to Agenda Item #1

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

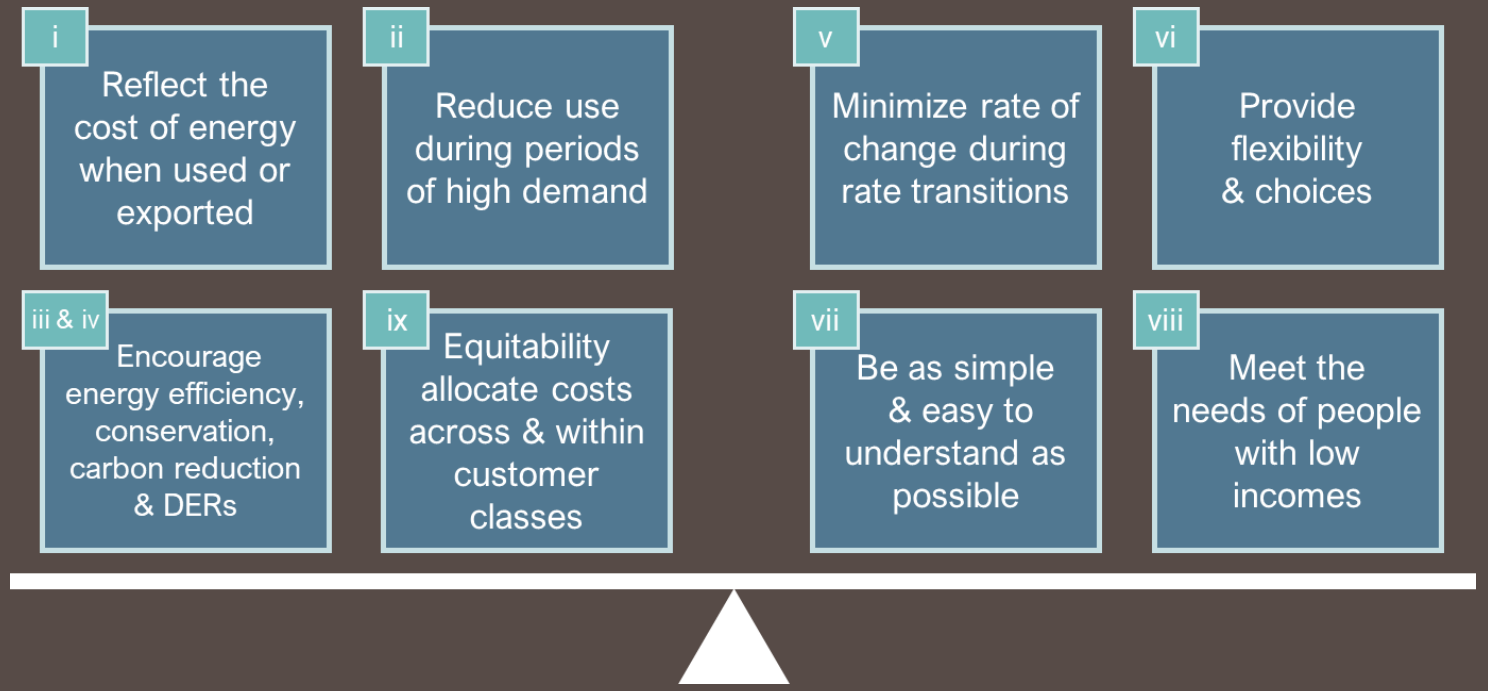
Board Policy Committee and Special SMUD Board of Directors Meeting

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



Comparison to PG&E Rates

2022 Average Price Comparison in $/kWh

Class	Description	Difference Range Below PG&E 2022
Residential	All residential rates	42.9%
Residential EAPR	All low income residential rates	42.0%
Commercial	All commercial rates	44.4% - 51.6%
Other	Street light, traffic signals and Ag	48.6% - 58.6%
System	All rates	45.5%

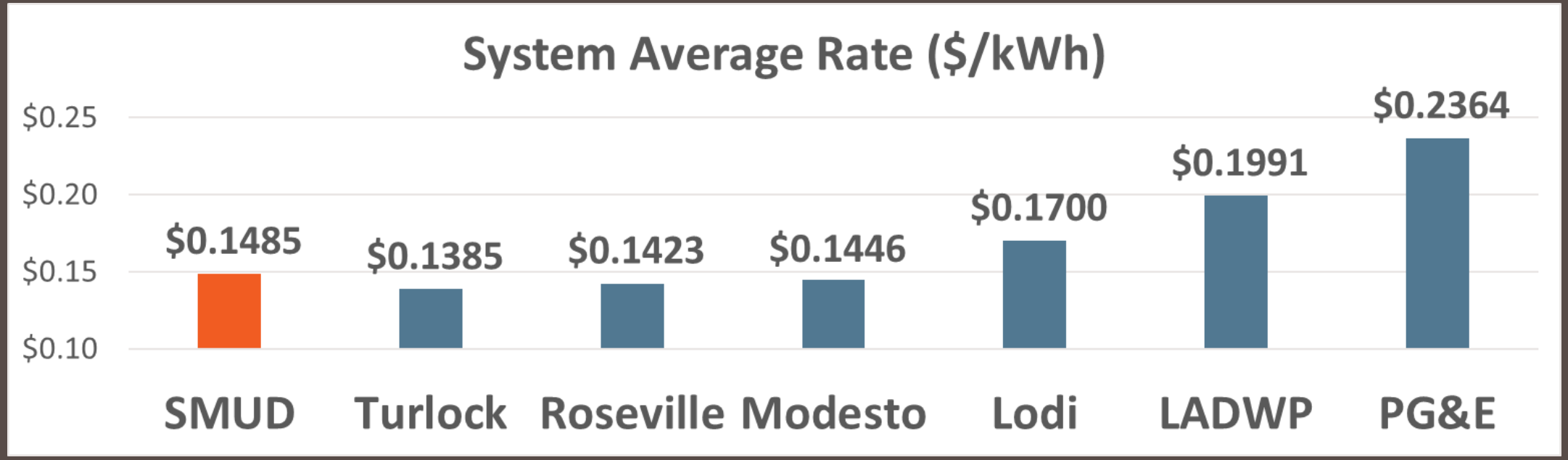
As of June 1, 2022

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.

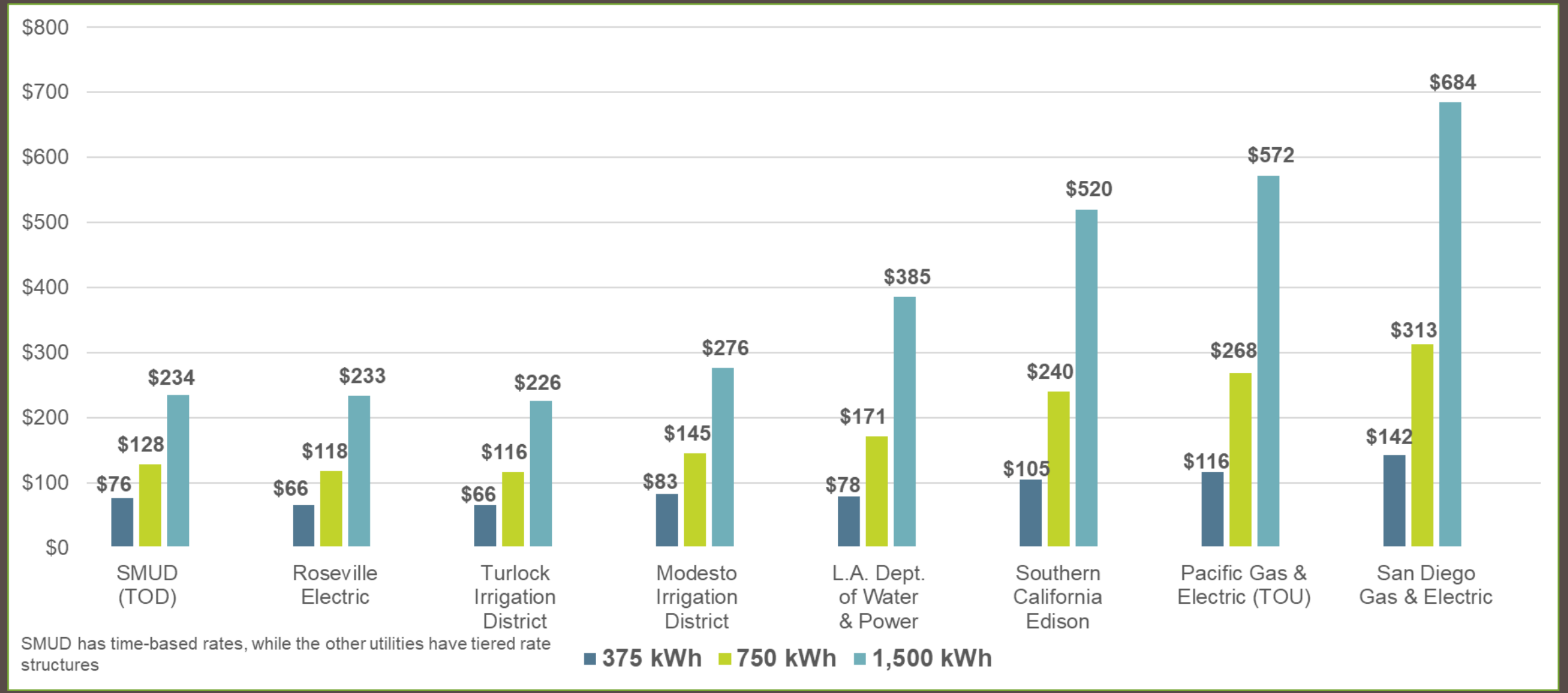
Comparison to Local Utilities

SMUD continues to have one of the lowest system average rates as compared to other neighboring utilities



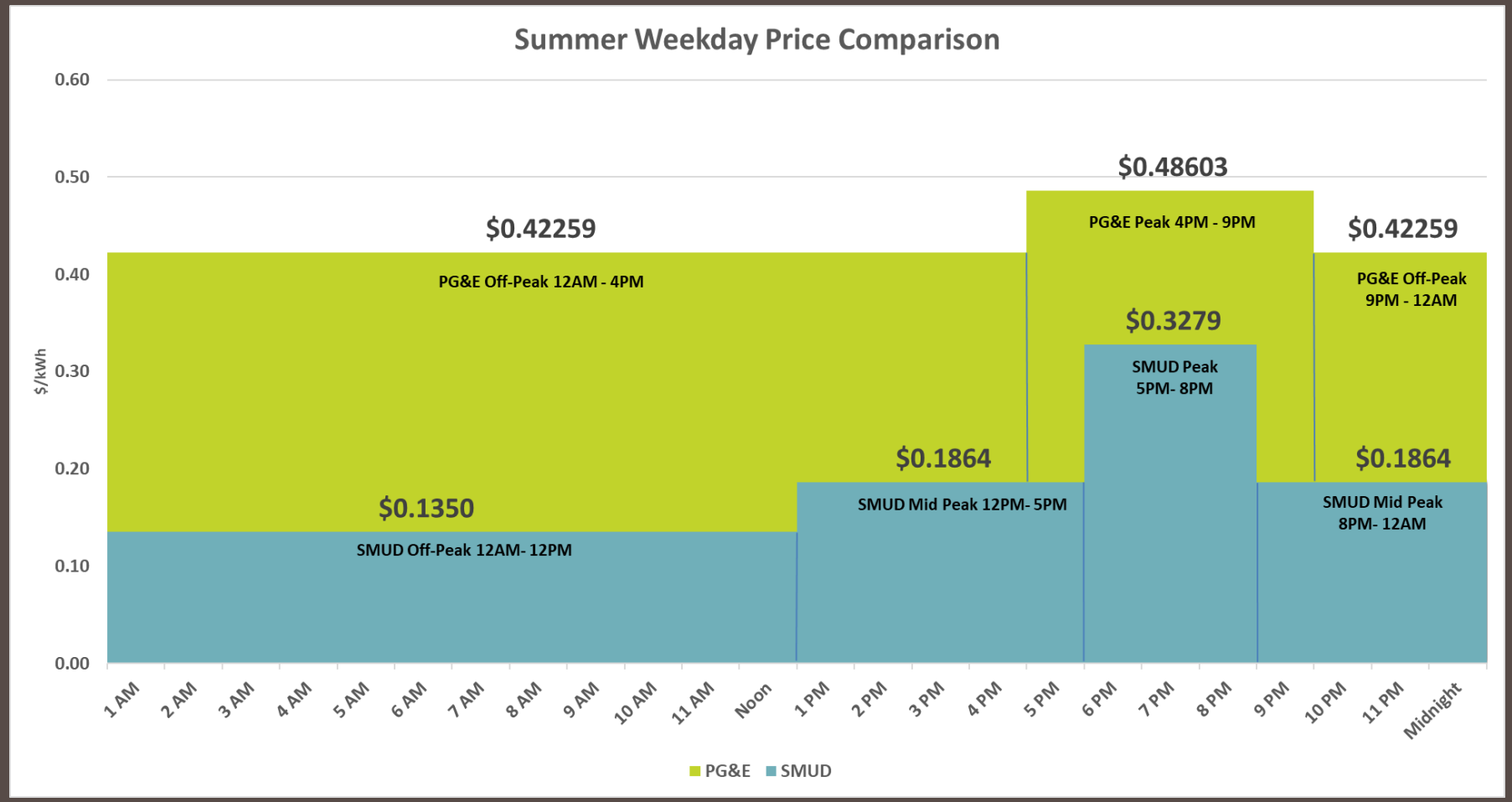
Source: US Energy Information Administration, 2021 EIA-861

Average Monthly Residential Electric Bill (2022)



- *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.*

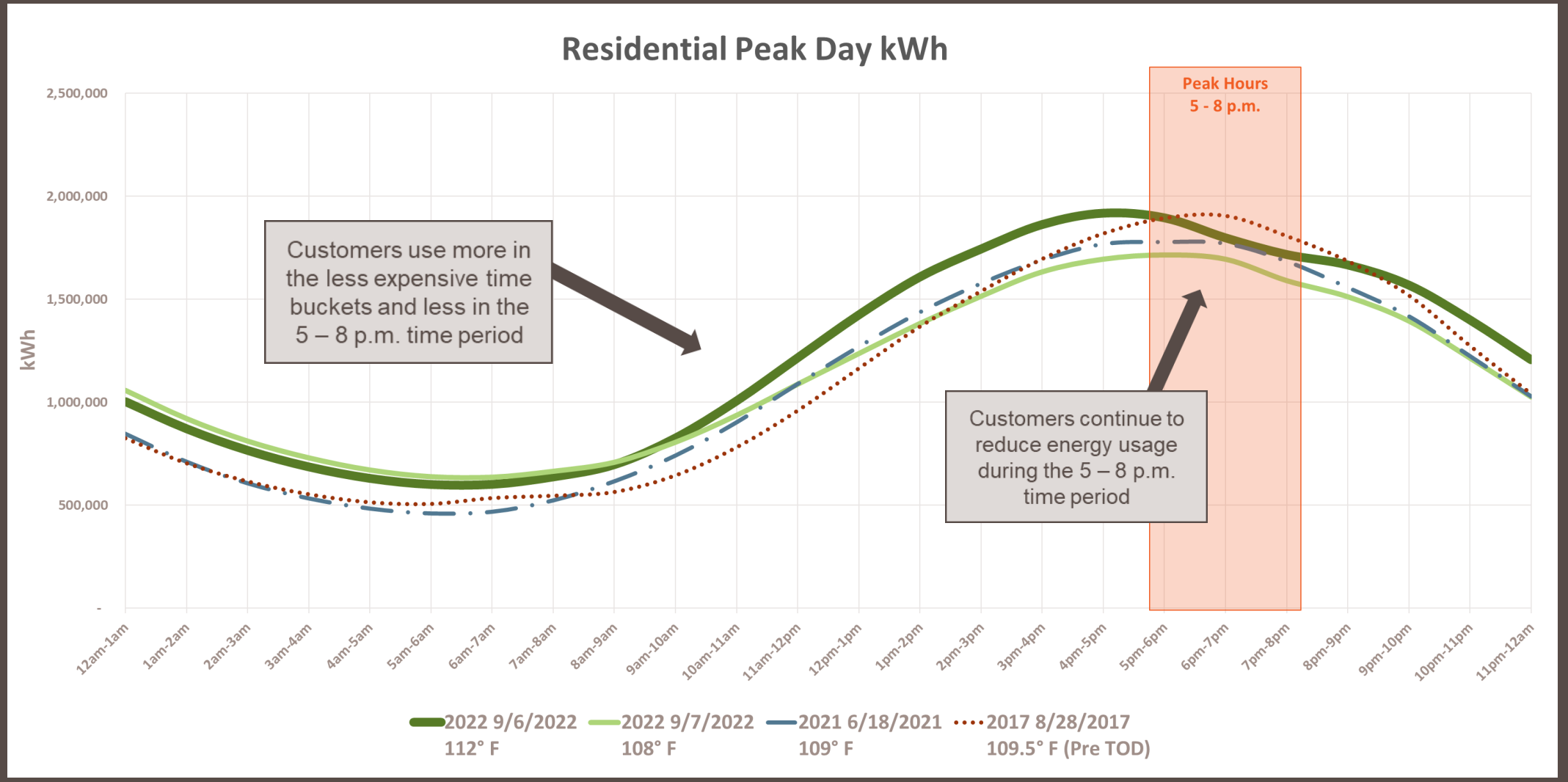
SMUD and PG&E Time Period Price Comparison



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



Questions?