Exhibit to Agenda Item #1

a. Approve SMUD’s participation in the submittal of a grant application or applications by Calpine Corporation (Calpine) to the U.S. Department of Energy (DOE) or other agencies for the Sutter Energy Center Carbon Capture and Sequestration Project (CCS Project) and authorize the Chief Executive Officer and General Manager (CEO/GM), on behalf of SMUD, to execute all grant documents necessary to secure grant funds; and

b. Authorize the CEO/GM to execute a Memorandum of Agreement (MOA), substantially in form attached, with Calpine to negotiate commercial terms of a Power Purchase Agreement (PPA) for the output of Calpine’s proposed CCS Project.

Board Energy Resources & Customer Services Committee and Special SMUD Board of Directors Meeting
Wednesday, May 17, 2023, scheduled to begin at 6:00 p.m.
Auditorium, SMUD Headquarters Building
Meeting objectives

- Continue to discuss with and inform the SMUD Board and community of a partnership opportunity with Calpine Corporation for a Carbon Capture and Sequestration (CCS) project that may be eligible for a U.S. Department of Energy grant as well as federal tax credits.

- Share community feedback gathered through the public process.

- Request the SMUD Board to approve SMUD’s support of Calpine’s grant applications with the Department of Energy and other agencies and execute a Memorandum of Agreement (MOA) to negotiate commercial terms of a power purchase agreement (PPA).
• **Step 1:** SMUD Board to approve SMUD’s involvement in Calpine’s grant application with the Department of Energy (DOE), SMUD signing a Memorandum of Agreement to begin negotiating contract terms.

• **Step 2:** SMUD staff continues discussions with the SMUD Board and community as we step through project milestones.
External guest speakers

1. Emily Wimberger – Hua Nani Partners – Managing Partner

2. Sarah Saltzer – Stanford University – Managing Director of the Stanford Center for Carbon Storage

3. Barbara McBride – Calpine – Senior Director of Strategic Origination and Development
2030 Zero Carbon Plan benefits of the Sutter CCS Project

• Provides a clean, cost-effective, reliable resource that is unaffected by weather.
  • Complements weather dependent resources such as wind and solar.
  • Improves energy portfolio reliability.

• Provides GHG reductions sooner starting in 2027.
  • Clean energy can be delivered to SMUD along existing transmission reducing the use of SMUD’s local gas generation.
  • Also reduces Sutter Calpine GHG emissions.

• 12-year term allows us to use CCS as a transitional resource to cleaner emerging generation technologies that may be available in the next decade (i.e. green hydrogen).

• SMUD’s goal would be to ensure a safe, cost-effective, clean and reliable resource.
SMUD’s involvement in the Department of Energy Carbon Capture and Sequestration grant application:

• Sign a letter of partnership to be included in Calpine’s grant application.
• SMUD would be listed on Calpine’s grant application as a potential recipient of energy from the proposed CCS project.

Signing a Memorandum of Agreement (MOA) means:

• SMUD can negotiate terms of a PPA, which would require SMUD Board approval before signing.
• Project would be built, owned and operated by Calpine and SMUD would be a potential recipient of energy from the project.
• Contract would include offramps under various conditions (safety, performance, costs etc.).
Public workshop May 2, 2023 at SMUD’s CSC Building

- Email invitations sent to individuals and organizations
  - Environmental, environmental justice groups
  - Individuals from SMUD’s list serves
- Posted on SMUD’s social media channels
- Dedicated webpage
- 19 attendees
Public workshop highlights

Format

• Presentations
  o Lawrence Livermore National Laboratories, Calpine, technology experts (ION and 1PointFive information) and SMUD

• Facilitated Q&A
  o More than a dozen questions submitted in advance and answered

• 5 informational stations where attendees could ask additional detailed questions after presentations
  o 60 questions asked at informational stations and answered by subject matter experts. Key topics included:
    • Safety
    • Long-term storage
    • Noise
    • Reliability
    • Sustainability
    • Demonstrated success
    • Timeline & economics of the project
    • Storage conditions
Requested SMUD Board Action

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