

# Exhibit to Agenda Item #1

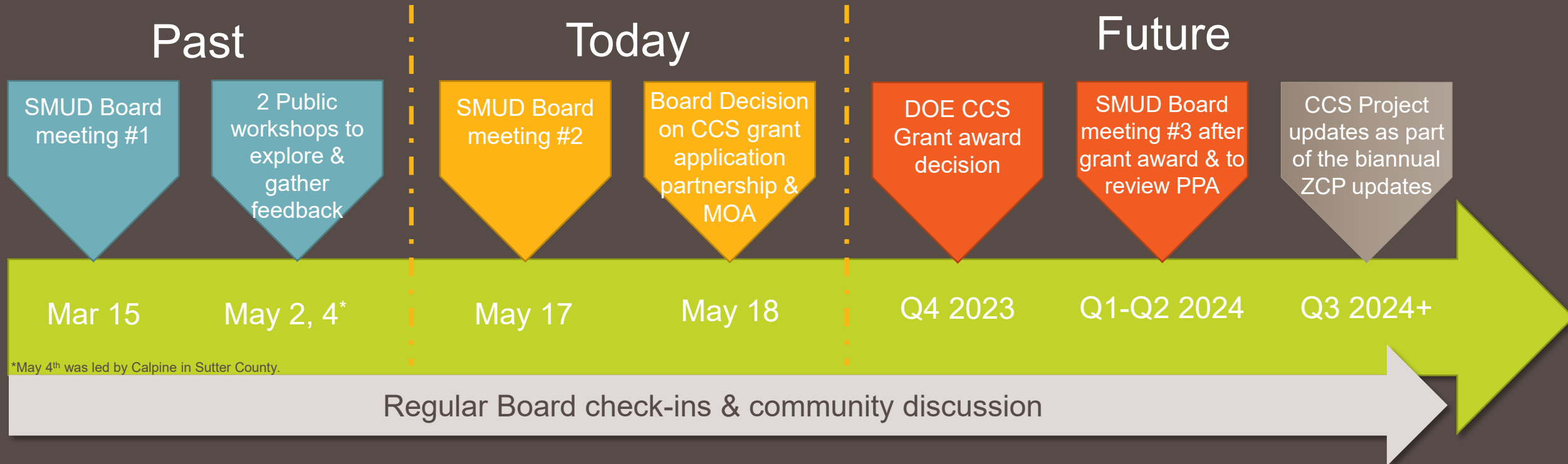
- a. Approve SMUD's participation in the submittal of a grant application or applications by **Calpine Corporation (Calpine)** to the **U.S. Department of Energy (DOE)** or other agencies for the **Sutter Energy Center Carbon Capture and Sequestration Project (CCS Project)** and authorize the Chief Executive 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).

# Board and Public Process



- **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.**
  - Compliments 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.**



# Grant application involvement and Memorandum of Agreement (MOA)

## 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



The screenshot shows the SMUD website with the title "Proposed Calpine carbon capture project". The page includes a detailed description of the project, its goals, and the technologies involved. It also features a "Learn more and ask questions" section with a brief overview of the project and a link to a presentation. Below this is a "Meeting details" section for Tuesday, May 2, 2023, from 5:30 PM to 7:00 PM at the SMUD Customer Service Center. An RSVP form is provided with fields for Name, First Name, Last Name, and Email, and a "Submit Form" button. The page also includes an "About Calpine" section and a footer with various links and contact information.





# Public workshop highlights

## Format

- Presentations
  - Lawrence Livermore National Laboratories, Calpine, technology experts (ION and 1PointFive information) and SMUD
- Facilitated Q&A
  - More than a dozen questions submitted in advance and answered
- 5 informational stations where attendees could ask additional detailed questions after presentations
  - 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

- 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
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