

# Exhibit to Agenda Item #2

Authorize the Chief Executive Officer and General Manager to execute **Appendix Firm Storage Service** documents with **Wild Goose Storage LLC** for:

- a. Five-year Firm Storage Agreement for 2 Billion cubic feet (Bcf) of natural gas storage for the period April 1, 2024, through March 31, 2029; and
- b. Natural gas injection services for the period December 1, 2023, through March 31, 2024.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting  
Tuesday, September 19, 2023, scheduled to begin at 6:00 p.m.

SMUD Headquarters Building, Auditorium

# Execute a 5 Year Natural Gas/RNG Storage Services Agreement with Wild Goose Storage, LLC

## Storage Service Support for Board Policies

- Supports Reliability (Strategic Direction, SD-4)
- Supports Competitive Rates (Strategic Direction, SD-2)

## Background

- SMUD has 2 Billion cubic feet (Bcf) of storage across two providers, staggered durations
- Existing contract for 1 Bcf of storage inventory expires March 31, 2024
- Request for Offer (RFO) sent to 4 Northern California storage providers
- Received bids from only 2 storage providers as storage capacity is scarce due to last winter's events
- Wild Goose (Gridley, CA) was the low-cost bid provider for a 5-year term

# Execute a 5 Year Natural Gas/RNG Storage Services Agreement with Wild Goose Storage, LLC

## Context

- SMUD use of natural gas/RNG storage provides four risk mitigating benefits:
  - Reliability
  - Flexibility
  - Arbitrage
  - Potential New Markets (EDAM)
- This agreement and increase to 2 Bcf (3 Bcf total) represents 2/3 of SMUD's total storage services portfolio
- A 5-year term provides a price hedge against escalating prices on half the portfolio and secures storage during times of high demand and low availability like we are currently experiencing

# Execute a 5 Year Natural Gas/RNG Storage Services Agreement with Wild Goose Storage, LLC

## Key Contract Terms

- **Volume:**
  - 2 Bcf of inventory
  - “ratchet” 12,500-14,000 Dth/day Injection
  - “ratchet” 10,000-24,000 Dth/day Withdrawal
- **Term:**
  - Duration: 5 Years
  - Start Date: April 1, 2024
- **Price:**
  - \$2.50 per Dth – Fixed, no escalators
  - Annual Fixed Cost: \$5,000,000

# Requested Action

## Requested Action

Authorize the Chief Executive Officer and General Manager to execute a 5-year agreement for 2 Billion cubic feet (Bcf) of natural gas storage services with Wild Goose Storage, LLC, for the period April 1, 2024, through March 31, 2029.

## Alternative

Next best offer is valued at \$6.00 per Decatherm (Dth) for half (1 Bcf) of capacity, with “traditional” profile (10,000 Dth injection and 20,000 Dth withdrawal rate).