Exhibit to Agenda Item #1
Discuss the monitoring report for Strategic Direction SD-2, Competitive Rates.

Board Policy Committee and Special SMUD Board of Directors Meeting
Tuesday, February 6, 2024, immediately following the Strategic Development Committee and Special SMUD Board of Directors Meeting scheduled to begin at 6:00 p.m.
SMUD Headquarters Building, Auditorium
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
  
i. Reflect the cost of energy when used or exported
  
ii. Reduce use during periods of high demand
  
iii & iv. Encourage energy efficiency, conservation, carbon reduction & DERs
  
iv & v. Equitability allocate costs across & within customer classes
  
vi. Minimize rate of change during rate transitions
  
vi. Provide flexibility & choices
  
vii. Be as simple & easy to understand as possible
  
viii. Meet the needs of people with low incomes
## Comparison to PG&E Rates

<table>
<thead>
<tr>
<th>Class</th>
<th>SMUD Below PG&amp;E</th>
<th>PG&amp;E Above SMUD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2023</td>
<td>2024 (Jan)$^1$</td>
</tr>
<tr>
<td>Residential (all rates)</td>
<td>47%</td>
<td>54%</td>
</tr>
<tr>
<td>Residential low income (EAPR)</td>
<td>49%</td>
<td>55%</td>
</tr>
<tr>
<td>Commercial (all rates)</td>
<td>48% - 56%</td>
<td>48% - 62%</td>
</tr>
<tr>
<td>Other$^2$</td>
<td>54% - 68%</td>
<td>61% - 72%</td>
</tr>
<tr>
<td>System (all rates)</td>
<td>50%</td>
<td>55%</td>
</tr>
</tbody>
</table>

Notes: 1) Includes SMUD and PG&E rates increases of 2.75% and 17%, respectively effective Jan 2024. Values for May’24 includes an additional 2.75% rate increase for SMUD. 2) Other includes streetlight, traffic signals and agricultural rates.

---

SMUD’s system average rate by May 2024 is **54%** below PG&E, which results in an anticipated **$2 Billion** annually in community savings in 2024. This is about **$1,600** of annual savings for residential customers on average.
SMUD continues to have one of the lowest system average rates as compared to other neighboring utilities.

System Average Rate Actuals ($/kWh)

Source: US Energy Information Administration (EIA) and self reported data

Total rates revenue (SIFC, demand charges, energy)

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

Rates effective as of January 1, 2024. 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’s 2024 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, 2024. 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.