

Exhibit to Agenda Item #3

Approve the issuance of the **Northern California Energy Authority (NCEA) Commodity Prepay Bonds** and authorize the Chief Executive Officer and General Manager to execute documents necessary to complete the issuance of these bonds and various contracts related to the prepayment of the commodities.

Northern California Energy Authority (NCEA) Meeting

Thursday, March 21, 2024, immediately following the SMUD Board of Directors meeting scheduled to begin at 6:00 p.m.

SMUD Headquarters Building, Auditorium



Commodity Prepay Summary

- In 2018 Bonds were issued the Northern California Energy Authority (NCEA), to prepay for a 30-year supply of commodities
 - \$0.48/dekatherm discount = \$3 million annual commodity savings from 2019-2023
- The 2018 prepay bonds require repricing by July 2024
 - NCEA plans to issue up to \$800 million of similar bonds this spring for a 6-year term that optimizes the savings that SMUD receives
- Current pricing indicates SMUD will save \$3+ million annually on commodity costs from a \$0.50-0.55/dekatherm discount



Questions?