

# Exhibit to Agenda Item #5

Discuss approving Contract Change No. 5 to Contract No. 4500137959 with **Wood Mackenzie dba Power Advocate, Inc.** for consulting services to extend the contract expiration date from March 31, 2026, to December 31, 2027, and to increase the contract amount by \$3 million, from \$4.95 million to \$7.95 million.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting  
Tuesday, June 17, 2025, scheduled to begin at 6:00 p.m.

SMUD Headquarters Building, Auditorium

# Scope of work

## Supply chain consulting and market intelligence software

Wood Mackenzie was hired through the sole source contracting delegation in March of 2023 to perform supply chain consulting services in three priority areas:

**1**

### **Supply chain risk management**

- Storm contracts, mutual aid
- Transformer sourcing support
- Secondary supplier development

**2**

### **Strategic sourcing**

- Distribution equipment
- Construction services
- Vegetation management

**3**





### **Energy transition procurement**

- Large power transformers
- Substation construction
- Thermal plant operations and maintenance

# Wood Mackenzie

## Company information

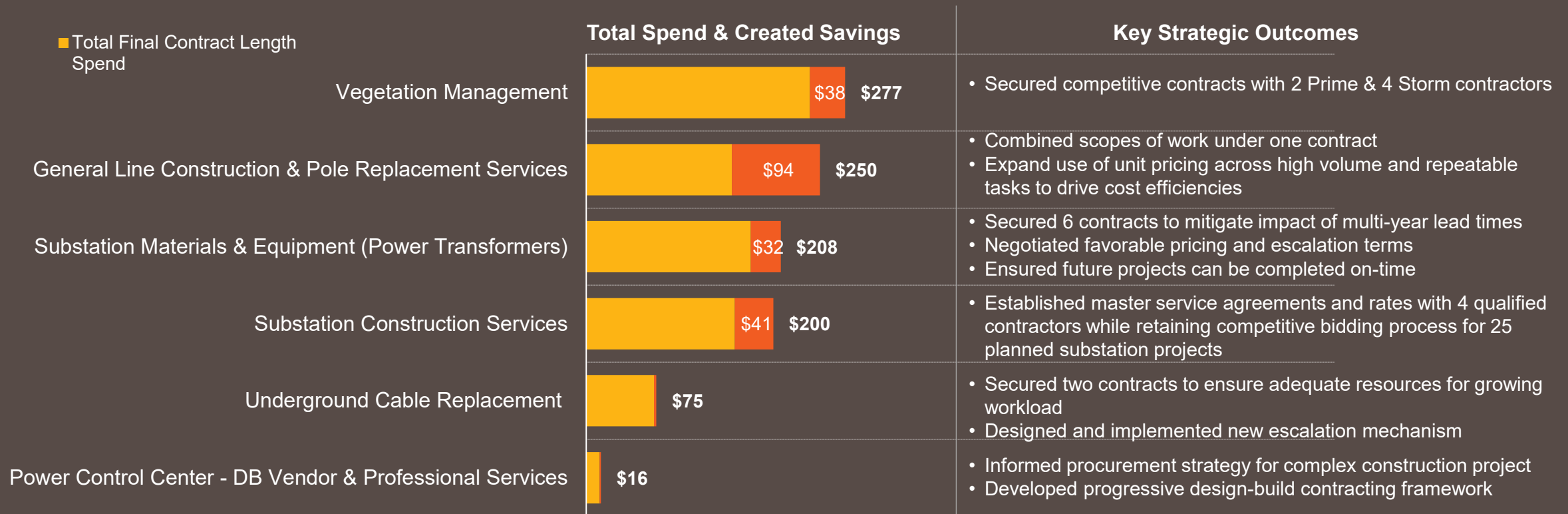
Pairing market-leading data with specific US utility consulting experience to develop actionable insights that result in meaningful financial and operational improvements

Access to Energy/Utility Market Procurement Data	Experience with Energy/Utility Organization Across the US	Actionable Delivery
<div><div>&gt;\$8,000,000,000,000</div><div>of Energy Supply Market Spend</div></div> <div><div>&gt;400,000,000</div><div>Price Points</div></div> <div><div>&gt;7,500</div><div>Cost Models</div></div> <div><div>2,100,000</div><div>Global Supplier Facility Locations</div></div> <div><div>&gt;27,000</div><div>Regional Economic Time Series</div></div> <div><div>&gt;1,300,000</div><div>Global Suppliers</div></div> <div><div>&gt;100,000</div><div>Sourcing Events</div></div> <div><div>&gt;5,000</div><div>Benchmark Studies</div></div> <div><div>&gt;65,000</div><div>Market Indices</div></div>	<ul style="list-style-type: none"><li>Supported <b>&gt;40 utility and O&amp;G customers</b> develop and execute sourcing strategies</li><li><b>In-depth category knowledge and expertise</b> for direct and indirect categories</li><li><b>Deep understanding of operating challenges</b> faced by procurement teams</li><li>Provided <b>uninterrupted support</b> to supply chain teams for 3+ years for six investor-owned utilities</li></ul>	<div><div></div><div>Flexible &amp; Adaptable</div></div> <div><div></div><div>Partnership Focus</div></div> <div><div></div><div>Data-Driven Mindset</div></div> <div><div></div><div>Consistently Generates 5-10x ROI</div></div>

# Scope of work

## Projects completed

Collaboratively sourced **>\$1 billion in spend** and create **>\$200 million in savings representing 20%**



# Scope of work

## Active projects and future potential focus

In-Flight Initiatives	Spend (\$M)	Key Strategic Value
Distribution Transformers	\$ 150M	Improve incumbent relationship and secure new 5+ year contracts to provide surety of supply
Thermal O&M Services Contracting	\$ 80M	Secure labor supply at critical facilities through 2030
Cable Equipment Cost Validation & Extension	\$ 80M	Ensure unit cost increases and escalation formulas are equitable
S4Hana Migration	\$ 60M	Integrate lessons learned from peer utilities to ensure a cost-effective & high-quality migration
Energy Waste Reduction (EWR) Initiatives*	~\$ 40M	Bringing expertise and data from executing EWR initiatives across multiple peer utilities
Fleet Heavy Duty Trucks & Equipment	\$ 60M	Apply market data & experience from other fleet sourcing activities
Circuit Breakers	\$ 30M	Increase utilization of incumbent, enhance RFP strategy with market insights and lessons learned
<b>Total of In-Flight Initiatives</b>	<b>~\$ 500M+</b>	<b>Realize immediate capital efficiencies and ensure timely and quality delivery</b>

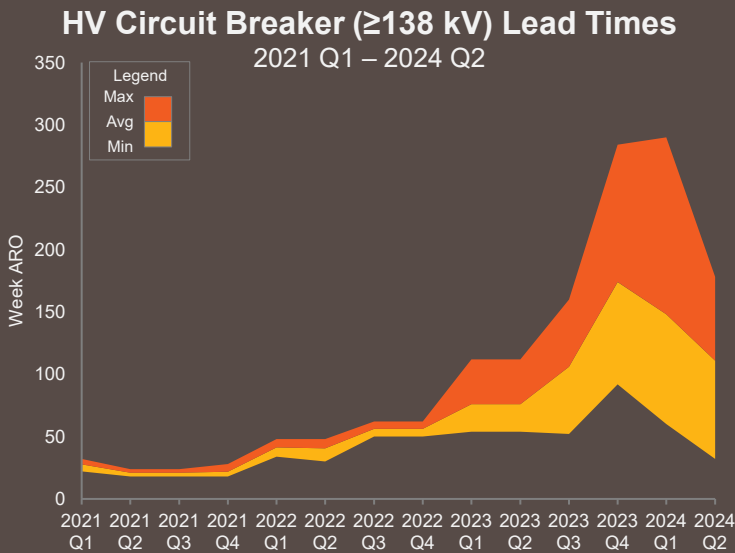
*\*Potentially aligning several individual initiatives: HVAC Electrification, Weatherization, Home Energy Program, etc.*

# Business Need

## A Continually Changing Supply Chain Landscape

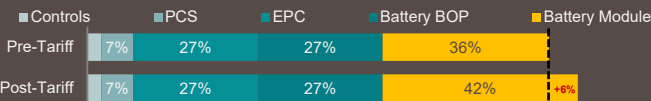
Despite some relief from pandemic-era supply chain challenges, the US and Global energy supply chain remains dynamic. Our clean energy transition investments require strategic supply chain management.

### Continued Supply Chain Constraints & a Difficult Financial Environment

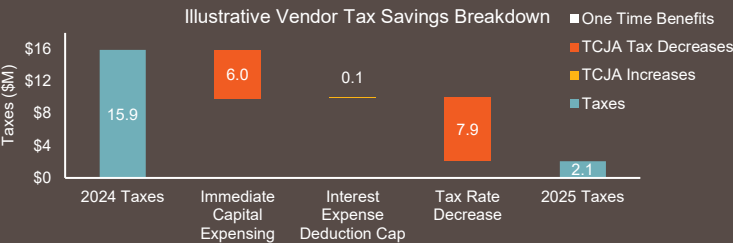


### New Federal Administration (Volatility, Tariffs, and Tax Reform)

#### Impacts of Tariffs on BESS Project Costs



#### Opportunity to Take Advantage of Tax Reforms



### Investing in Complex, Critical, and Emergent Projects within a Tight Timeline

**Complex:** S4HANA Migration

**Critical:** Energy Waste Reduction Programs (e.g. HVAC Electrification)

**Emergent:** Solar, BESS, and Microgrids

High investment levels in a short timeframe puts pressure on any organization – capacity and expertise limitations adds risk to these investments

**Engaging leading energy supply chain advisory services ensures informed decision-making and enhances the overall efficiency and effectiveness of SMUD's investments.**