

Exhibit to Agenda Item #6

Provide the Board with a preview of SMUD's 2026 Proposed Budget.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting
Tuesday, October 14, 2025, scheduled to begin at 6:00 p.m.

SMUD Headquarters Building, Auditorium



Agenda

- SMUD's priorities for 2026
- New initiatives & spending
- Financial security
- 2026 budget & next steps

Priorities driving the 2026 Budget



**Clean Energy
Investments**



**Infrastructure
Investment**



**Community
Impact**

Clean Energy Investments



\$39 million

Country Acres 344 MW solar and 172 MW 4-hour battery project construction



\$18 million

Renewables projects to meet California Renewable goals



\$4.5 million

Extended Day Ahead Market (EDAM)

Clean Energy Investments (continued)



\$49 million for building electrification



\$16 million for customer electric vehicles



\$13 million for load flexibility programs including battery incentives



\$1 million for SMUD electric vehicle fleet



\$1.4 million in community solar partnerships with schools



Maintaining world class reliability



\$186 million for substation capital spending

- \$42 million Station J
- \$37 million El Rio substation upgrades
- \$16 million UCDMC
- \$9 million Station G Expansion



\$89 million Folsom Administrative Office Building (FAOB) project



\$40 million for Hydro capital improvements and upgrades



\$32 million for Pole and cable replacement



\$29 million for S4/HANA



\$8 million for Grid Edge Intelligence Meter Deployment



\$3 million for Outage Management System (OMS) replacement

Continued investment in our community



The graphic features the SMUD logo at the top left, above a stylized cityscape with wind turbines, solar panels, and a sun. Below this is a green banner with the title 'Community Impact Plan' and a subtitle. Underneath the banner is a dark blue section titled 'Our focus' containing three circular icons: a hand holding a house for 'Affordability', three people with upward arrows for 'Equitable access', and two speech bubbles for 'Community engagement'. A final line of text is at the bottom of this section.

SMUD

Community Impact Plan

This strategy addresses SMUD's commitment to making meaningful investments in under-resourced communities to ensure their participation in a clean energy future.

Our focus

- Affordability**
- Equitable access**
- Community engagement**

We're doubling the current investment towards under-resourced communities!



\$14 million

Community
Impact Plan



\$12 million

Electric vehicle research
and infrastructure grants



\$1.5 million

Investment in regional
workforce development

Financial Security

Planning for future risks and market volatility to ensure rate stability for our customers



\$25 million

Insurance
Reserve



\$60 million

Commodity
Stabilization Fund



\$81 million

Hydro Rate
Stabilization Fund



\$18 million

WAPA Rate
Stabilization Fund



\$70 million

Rate Stabilization
Fund



Budget summary

O&M / Public Good

\$841 million

- Building electrification and energy efficiency solutions: \$57 million
- Invest in communities with limited resources and community engagement efforts: \$27.5 million



Capital

\$666 million

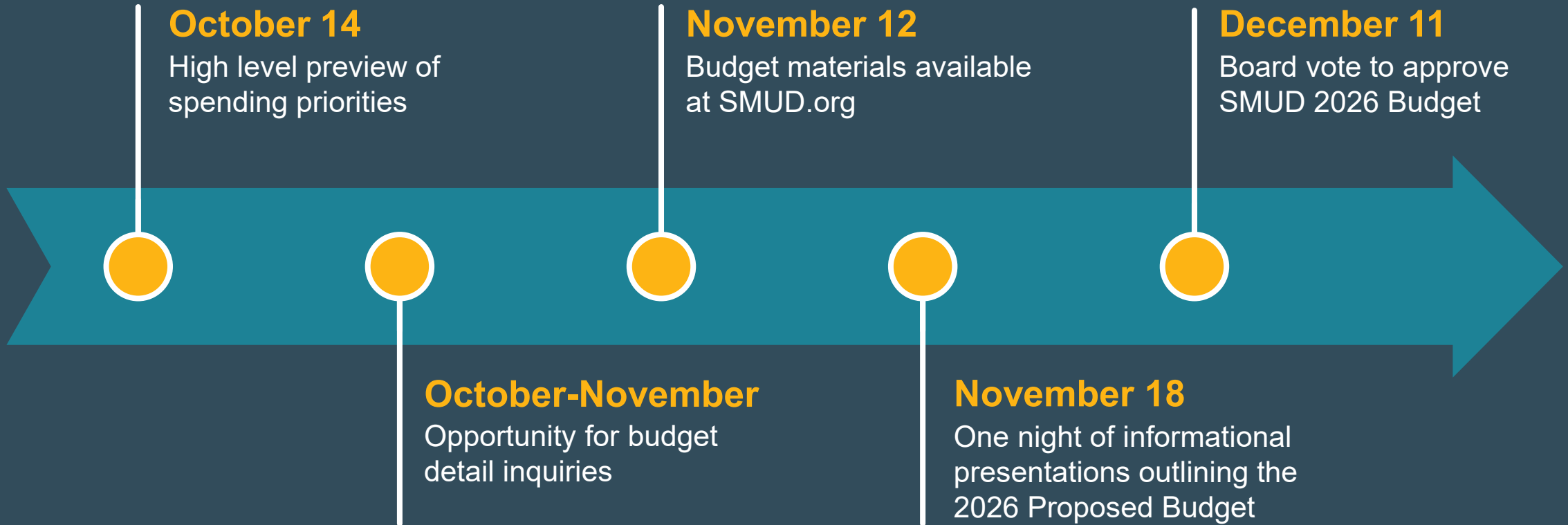
- Clean energy investments: \$57 million
- Distribution and substation investments: \$218 million
- Capacity and new services projects: \$52 million
- Folsom Administrative Office Building: \$89 million

Commodity

\$593 million

- Clean energy commodities: \$296 million

Next Steps



Key messages



Community involvement

Investment for a clean energy future in the Sacramento region and increased support for our community



Infrastructure investment

Strong investment in infrastructure for maintaining a reliable grid today and in the future



Prudent financial management

Focus on alignment of key priorities while meeting key financial metrics



Executing SMUD's vision

Reliable, affordable and equitable energy

