

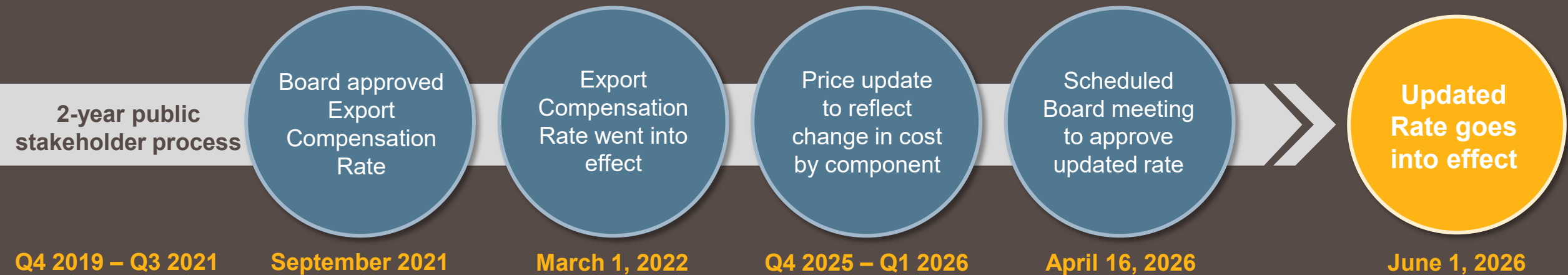
Exhibit to Agenda Item #1

Discuss approving the updated **Solar and Storage Rate** export compensation rate effective June 1, 2026.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting
Tuesday, April 14, 2026, scheduled to begin at 6:00 p.m.






SMUD Headquarters Building, Auditorium

Solar and Storage Rate Background



- Current Solar and Storage Rate (SSR) was approved in 2021 and went into effect Mar 1, 2022.
- The tariff states export rate to be updated every four years starting in 2026, based on publicly available local indices and SMUD actual costs, with a rate change threshold within $\pm 30\%$.
- Updated rate will be posted on smud.org and be in effect until the 2030 update.

Revised Export Compensation Rate (¢/kWh)

Current Rate Components		Adjustment	New Rate Components
 Land use avoidance	0.40¢	Housing price index	0.56¢
 Transmission and Distribution (T&D)	0.31¢	SMUD's Marginal cost	0.57¢
Generation Capacity	3.70¢	Cost of new capacity	3.77¢
 Energy	2.30¢	Hourly market prices ¹	3.50¢
 Carbon	0.70¢	Carbon allowance prices ²	1.17¢
 Ancillary Services	0.01¢	Inflation	0.01¢
Current Rate³ 7.4¢		Proposed Rate³ 9.6¢	

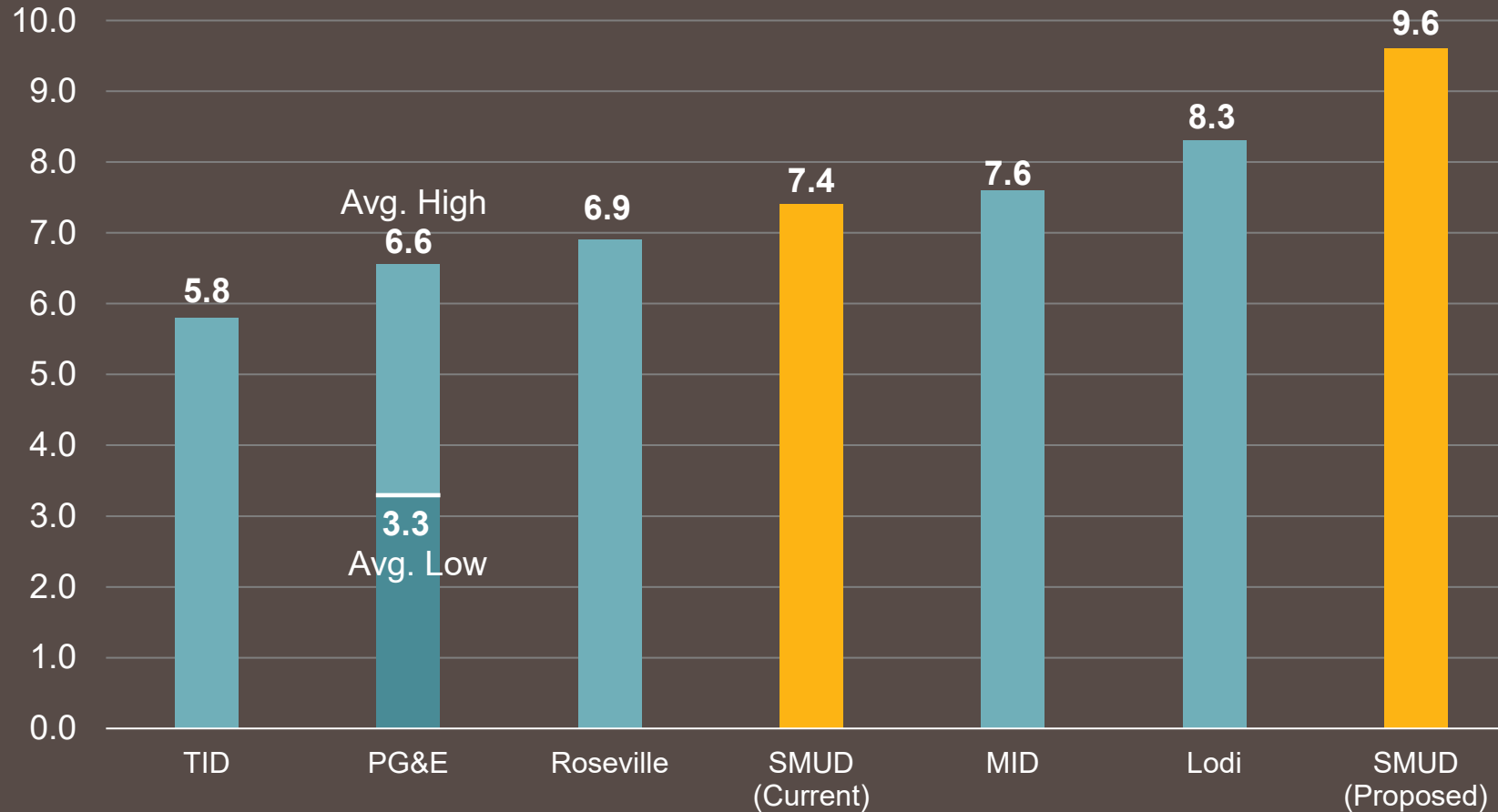
- This update will impact approximately 27,300+ solar and storage customers
- Estimated fiscal impact ~\$11M spread over the next 4-year period

Notes: 1 - Based on 2022-25 hourly prices published by Cal ISO at North of Path 15 (NP15 node)

2 – Prices published by California Air Resources Board (CARB)

3 – Numbers rounded for rate simplicity

Other utilities' export compensation rates (¢/kWh)



- Revised rate reflects cost and complies with tariff language.
- SMUD's export compensation rate will remain competitive compared to other neighboring utilities.

Recommendation

Approve the revised export compensation rate of **9.6¢** per kWh to reflect cost with an estimated fiscal impact of approximately \$11M over four years.

Updated rate will be effective for four years starting June 1, 2026.