Exhibit to Agenda Item #1

Discuss adoption of SMUD's **Large Load Customer Service Principles**.

Board Policy Committee and Special SMUD Board of Directors Meeting

Wednesday, November 11, 2026, scheduled to begin at 6 p.m.

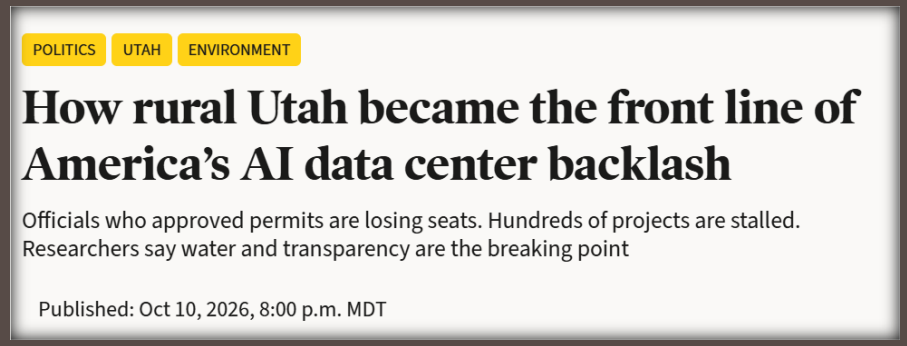
SMUD Headquarters Building, Auditorium

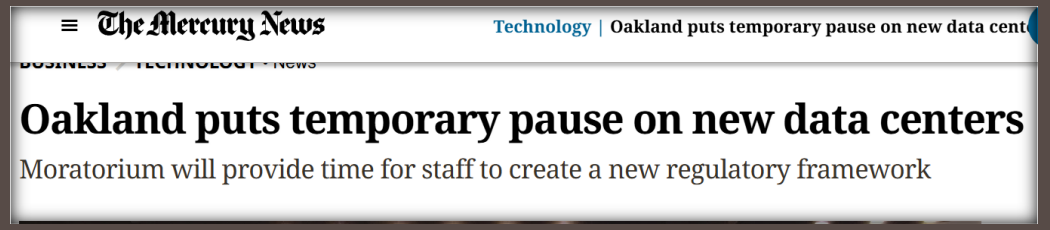
Top News Headlines











Agenda

- SMUD's Large Load Definition
- External & Internal Processes
- Policies that Protect Customers
- Large Load Principles
- Next Steps



SMUD's Large Load Definition

Obligation to serve, but with policies that protect our customers



>50MW

Transmission System

Customer Tailored Agreements & Contracts
Board Approval Required

External & Internal Processes

Project approvals and land use authority resides with local jurisdictions (city/county/air district)

Local Jurisdiction approval process

- Engage with key stakeholders
- Submit entitlement application to local jurisdiction
- Initiate environmental review (CEQA)
- Public review process
- Obtain local jurisdiction approval

SMUD internal process

- Internal Study
- Wait for local jurisdiction approval
- Draft Agreements & Contracts
- Board Review & Public Comment
- Collect Funds
- Build Infrastructure

Policies that Protect Customers

Open Transparency: Strategic Directions



Policy	Descriptions
SD-2 **Competitive Rates**	*"Maintaining competitive rates is a core value of SMUD."*
SD-4 **Reliability**	*"SMUD will assure all customer energy requirements are met and maintain the electric system in good repair and make the necessary upgrades to maintain load serving capability and meet regulatory standards."*
SD-7 **Environmental Leadership**	*"Conduct its business affairs and operations in a sustainable manner."*

Policies that Protect Customers

Open Transparency: Rules and Regulations



Policy	Descriptions
Rule 2 **Service Conditions**	Transmission service is not described as a standard service under Rule 2. Therefore, *"special facilities will be installed under the terms and conditions of a contract."*
Rule 4 **Contracts**	*"Where customer's power requirements are unusually large and an economic hardship may be imposed upon SMUD, a contract may be required for a period that, in SMUD's judgment, is commensurate with the size of the power requirements involved."*
Resolution 97-04-13 **Customer Tailored Rates**	*"Customer Tailored Rates will be subject to agreement with the District on mutually beneficial terms and conditions, and subject to Board approval if the contract term is longer than one year."*

Large Load Principles

For Board Consideration

1. Large Load Customers Pay Their Own Way

2. Existing Customers Are Held Harmless

3. Require Protective Commercial Terms

4. Protect Clean Energy and Resource Planning Goals

5. Seek Community Benefits

6. Evaluate Partnerships and Emerging Technologies

Next Steps

Staff request the Board adopt a resolution including these large load principles

