

Board Policy Committee Meeting and Special SMUD Board of Directors Meeting

Date: Wednesday, December 10, 2025

Time: Scheduled to begin at 6:00 p.m.

Location: SMUD Headquarters Building, Auditorium
6201 S Street, Sacramento, CA

Powering forward. Together.



AGENDA BOARD POLICY COMMITTEE MEETING AND SPECIAL SMUD BOARD OF DIRECTORS MEETING

**Wednesday, December 10, 2025
SMUD Headquarters Building, Auditorium
6201 S Street, Sacramento, California
scheduled to begin at 6:00 p.m.**

This Committee meeting is noticed as a joint meeting with the Board of Directors for the purpose of compliance with the Brown Act. In order to preserve the function of the Committee as advisory to the Board, members of the Board may attend and participate in the discussions, but no Board action will be taken. The Policy Committee will review, discuss and provide the Policy Committee's recommendation on the below agendized item(s):

Virtual Viewing or Attendance:

Live video streams (view-only) and indexed archives of meetings are available at:
<https://www.smud.org/Corporate/About-us/Company-Information/Board-Meetings/Watch-or-Listen-online>

Zoom Webinar Link: [Join Board Policy Committee Meeting Here](#)

Webinar/Meeting ID: 161 307 6858

Passcode: 819311

Phone Dial-in Number: 1-669-254-5252 or 1-833-568-8864 (Toll Free)

Verbal Public Comment:

Members of the public may provide verbal public comment by:

- Completing a sign-up form at the table outside of the meeting room and giving it to SMUD Security.
- Using the "Raise Hand" feature in Zoom (or pressing *9 while dialed into the telephone/toll-free number) during the meeting at the time public comment is called. Microphones will be enabled for virtual or telephonic attendees when the commenter's name is announced.

Written Public Comment:

Members of the public may provide written public comment on a specific agenda item or on items not on the agenda (general public comment) by submitting comments via email to PublicComment@smud.org or by mailing or bringing physical copies to the meeting. Email is not monitored during the meeting. Comments will not be read into the record but will be provided to the Board and placed into the record of the meeting if received within two hours after the meeting ends.

DISCUSSION ITEMS

1. Emily Bacchini Discuss the monitoring report for **Strategic Direction SD-7, Environmental Leadership.**
Presentation: 8 minutes
Discussion: 12 minutes
2. Bryan Swann Discuss the monitoring report for **Strategic Direction SD-9, Resource Planning.**
Presentation: 15 minutes
Discussion: 10 minutes
3. Steve Lins Discuss the monitoring report for **Strategic Direction SD-11, Public Power Business Model.**
Presentation: 12 minutes
Discussion: 5 minutes
4. James Frasher Discuss approving and ratifying the submittal of SMUD's grant application to the **California Department of Fish and Wildlife (CDFW) for the Sport Fish Restoration Act Boating Access: Rancho Seco Lake Invasive Mussel Prevention Grant** and discuss authorizing the Chief Executive Officer and General Manager, to negotiate and execute in the name of Sacramento Municipal Utility District (SMUD) a grant recipient contract with CDFW as well as all grant documents, including, but not limited to, applications, amendments and requests for payment, necessary to facilitate grant participation.
Presentation: 1 minute
Discussion: 1 minute
5. Rob Kerth Allow the Board members an opportunity to discuss committee memberships and chairs for 2026.
Presentation: 1 minute
Discussion: 4 minutes

INFORMATIONAL ITEMS

6. Gregg Fishman Board Work Plan.
Discussion: 3 minutes
7. Public Comment
8. Heidi Sanborn Summary of Committee Direction.
Discussion: 1 minute

Members of the public shall have up to three (3) minutes to provide public comment on items on the agenda or items not on the agenda, but within the jurisdiction of SMUD. The total time allotted to any individual speaker shall not exceed nine (9) minutes.

Members of the public wishing to inspect public documents related to agenda items may click on the Information Packet link for this meeting on the smud.org website or may call 1-916-732-7143 to arrange for inspection of the documents at the SMUD Headquarters Building, 6201 S Street, Sacramento, California.

ADA Accessibility Procedures: Upon request, SMUD will generally provide appropriate aids and services leading to effective communication for qualified persons with disabilities so that they can participate equally in this meeting. If you need a reasonable auxiliary aid or service for effective communication to participate, please email Toni.Stelling@smud.org, or contact by phone at 1-916-732-7143, no later than 48 hours before this meeting.

SSS No. E,S,RES 25-05

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date

Policy – 12/10/25

Board Meeting Date

December 11, 2025

TO					TO				
1.	Claire Rogers				6.				
2.	Frankie McDermott				7.				
3.	Suresh Kotha				8.				
4.	Brandy Bolden				9.	Legal			
5.	Farres Everly				10.	CEO & General Manager			

Consent Calendar	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No <i>If no, schedule a dry run presentation.</i>	Budgeted	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No <i>(If no, explain in Cost/Budgeted section.)</i>
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FROM (IPR)	DEPARTMENT	MAIL STOP	EXT.	DATE SENT
Emily Bacchini	Safety, Environmental & Real Estate Services	B209	6334	11/14/25

NARRATIVE:

Requested Action: Accept the monitoring report for Strategic Direction SD-7, Environmental Leadership.

Summary: The purpose of this meeting is to facilitate a discussion with the SMUD Board of Directors on Strategic Direction SD-7, Environmental Leadership (SD-7). The presentation will briefly summarize SMUD's internal and external environmental programs and initiatives that promote environmental leadership.

Board Policy: Strategic Direction SD-7, Environmental Leadership
(Number & Title)

Benefits: Clarification of environmental leadership, as defined in SD-7, to better guide SMUD staff's interpretation and actions to fulfill this Direction.

Cost/Budgeted: Costs contained in budget for internal labor.

Alternatives: Provide via written report through the Chief Executive Officer and General Manager.

Affected Parties: SMUD Customers and Employees

Coordination: Environmental Services, Resource Planning, Energy Strategy, Resource, & Development, and Sustainable Communities

Presenter: Emily Bacchini, Interim Director, Safety, Environmental & Real Estate Services

Additional Links:

SUBJECT	Monitoring Report – Strategic Direction SD-7, Environmental Leadership	ITEM NO. <i>(FOR LEGAL USE ONLY)</i>
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SACRAMENTO MUNICIPAL UTILITY DISTRICT

OFFICE MEMORANDUM

TO: Board of Directors

DATE: November 20, 2025

FROM: Claire Rogers *CR 11/20/25*

**SUBJECT: Audit Report No. 28007870
Board Monitoring Report; SD-7: Environmental Leadership**

Internal Audit Services (IAS) received the SD-7 *Environmental Leadership* 2024 Annual Board Monitoring Report and performed the following:

- Selected a sample of statements and assertions in the report for review.
- Compared sample to the corresponding supporting documentation to identify potential discrepancies.

All items sampled within the SD Report aligns with the supporting documentation provided at the time of review.

CC:

Paul Lau

Board Monitoring Report 2024

SD-7 Environmental Leadership

1. Background

Strategic Direction 7 ([SD-7](#)), Environmental Leadership states that:

Environmental leadership is a core value of SMUD. In achieving this directive, SMUD will:

- a. Conduct its business affairs and operations in a sustainable manner by continuously improving pollution prevention, minimizing environmental impacts, including Tribal and other cultural impacts, conserving resources, enhancing regional biodiversity and promoting equity within SMUD's diverse communities.
- b. Provide leadership and innovation to improve air quality and reduce greenhouse gas emissions.
- c. Promote the efficient use of energy by our customers.
- d. Advance the electrification of vehicles, buildings, and equipment.
- e. Attract and build partnerships with customers, communities, policy makers, the private sector and other stakeholders.

2. Executive Summary

SMUD's focus on environmental leadership is clearly evident in our 2030 Clean Energy Vision and Zero Carbon Plan, but it also includes transparent reporting of greenhouse gas (GHG) emissions, natural resource stewardship and our concerted efforts to make all of our communities more sustainable. This report highlights some of the accomplishments SMUD achieved in 2024 to showcase our commitment to environmental leadership.

We are compliant with the five tenets of SD-7. Our efforts are highlighted in the supporting information below and Appendices: Appendix A (2015-2024 SMUD GHG Emissions Trends), Appendix B (Sustainable Communities Deliverables and Accomplishments To-Date), Appendix C (2024 Sustainability Report), and Appendix D (List of Acronyms).

3. Supporting Information

2030 Clean Energy Vision and Zero Carbon Plan

In the first 3 years since the 2030 Zero Carbon Plan (ZCP) was approved by the Board, we've made substantial progress towards our goals. We've been focused on identifying new renewables and energy storage resources to transition away from natural gas generation. In 2024 we completed the Solano 4 Wind Project with 85.5-megawatt (MW) capacity – enough clean, renewable energy to power 40,000 homes. With this project, the combined Solano Wind Project generates 300 MW and 830 gigawatt hours per year, a 62% increase in the annual energy generation. We also began construction of the Country Acres Solar Project. The project will include 344 MW of solar and 172 MW of 4-hour battery energy storage. This project will be SMUD's largest solar and battery storage project to date and will connect to the SMUD transmission system.

Greenhouse Gas (GHG) Emissions

Starting this year, SMUD changed its GHG emissions accounting methodology from an annual method to an hourly method. This new methodology aligns with the requirements under Senate

Bill (SB) 1158¹, which, beginning with reporting year 2027, will require SMUD and other utilities to provide an hourly emissions intensity factor. While this approach changes how green and brown energy is attributed to retail sales, the total reported emissions from our thermals have not been impacted. The new accounting approach provides greater granularity and precision in the attribution of green and brown energy to our customer demand and helps illustrate the need for clean energy products every hour of the year. For example, the hourly methodology considers the temporal aspects of solar and wind generation and can identify hours and months/seasons of the year we are most deficient in clean energy resources and/or most abundant. The hourly granularity is valuable as we evaluate the next clean energy resources to support our zero-carbon transition.

For 2024, GHG emissions were approximately 1.692 million metric tons carbon dioxide equivalent (CO₂e)². This is an increase of just over 113 thousand metric tons from 2023 emissions; a trend going back to 2015 (which was an especially severe drought year) can be found in Appendix A. Fluctuations in total emissions year-to-year are primarily attributable to hydroelectricity production, increases and decreases to customer demand, and the availability of ACS (Asset Controlling Supplier) low carbon power. As we continue to purchase greater quantities of zero and lower emissions-intensity power, we expect emissions to meet customer demand to decrease. A breakdown of emissions by thermal power plant, and power purchases, with comparisons between 2023 and 2024 can be found in Appendix A.

TCR Climate Registered™ Platinum Status

For the fifth year in a row, SMUD was recognized by The Climate Registry (TCR), a non-profit organization which designs and operates voluntary and compliance GHG reporting programs. This past year, SMUD was recognized as a Climate Registered Accelerator™ Hero. SMUD earned this recognition by publicly reporting its third-party verified GHG emissions inventory for its operations in 2023, and by setting and disclosing its ambitious GHG reduction goals.

Environmental Remediation

In 2024 the Environmental on-call team responded to 39 spills (oil, chemical, water discharge, polychlorinated biphenyls (PCB), waste) to ensure they were reported to the appropriate regulatory agencies, contained, cleaned and restored to the original condition.

Staff continue to support remediation at the 59th Street Corporation Yard. In 2024, the remaining buildings were demolished to provide access to contaminated soil. During building demolition, clean sand was found which needed to be excavated and hauled away. Rather than dispose of it at a landfill, the sand was given to Teichert for reuse. This saved 351 truck trips to Hay Road Landfill (2 hours round trip per truck), reused 6,493.5 tons of sand, and saved an estimated \$238,000.

Building Resilient Communities Through Partnership

SMUD has invested \$36.7 million in our Sustainable Communities community-based partnerships and programs, supporting an inclusive and equitable clean energy future. By aligning our Sustainable Communities efforts with the 2030 Zero Carbon Plan, we're ensuring that all communities in Sacramento share the benefits of the clean energy transition, including health benefits from improved air quality, new jobs and resilience to climate change (Appendix B).

¹ Link to Senate Bill 1158: [Bill Text - SB-1158 Retail electricity suppliers: emissions of greenhouse gases.](#)

² The 2024 GHG emissions value represents emissions associated with meeting our SMUD customers' energy demand and does not include emissions associated with wholesale energy sales into the market. The 2024 emissions from the net wholesale power are approximately 0.882 million metric tons of carbon dioxide (CO₂). The net wholesale power is the difference between the unspecified power purchased and the power sold into the market.

Notable 2024 partnerships include:

- **Helping our Community Shine** – The Shine Awards program invests in local collaborations and partnerships supporting our historically under-resourced nonprofit partners that execute inclusive and equitable projects through communities. In 2024, 84 organizations submitted applications and 29 projects totaling \$563,719.37 were awarded.
- **Securing Infrastructure while Supporting our Community** – SMUD partnered with Volunteers of America (VOA) to provide services to the unhoused population around our infrastructure sites. Often, crews will find unhoused campers in unsafe situations. Now, instead of calling security, the 1-year pilot partnership will send a VOA social worker to connect with the person(s). The VOA volunteer will educate the campers about safety and provide information to other resources.
- **Electrifying Meadowview** – In 2024, SMUD partnered with Congresswoman Doris Matsui to expand our clean energy project aimed at electrifying up to 300 homes in Meadowview. The neighborhood electrification work will improve air quality, lower utility bills, and reduce financial stress associated with aging appliances. We are also working closely with community partners to raise awareness, engage customers about clean energy benefits, recruit participants for the program, and create workforce opportunities.

Northwest Public Power Association’s 2024 Engineering & Operations Conference and Tradeshow

Environmental Services senior staff chaired the 2024 Engineering & Operations Conference and Tradeshow in Spokane, Washington. The conference theme was “Our Resilient Communities” and focused on the important but often quiet way that public power steps up for customers and communities. The weeklong conference was comprised of learning sessions that featured topics ranging from mutual aid and wildfires to integrating renewables and operational safety. The conference was kicked off with an opening keynote from Clara Pratte, Executive Chair of Navajo Power, an Indigenous owned and operated public benefit corporation which works with Tribal Nations to develop renewable projects on Native land.

Partnering with our Local Tribes

In 2022, SMUD developed a partnership with American River College’s Native American Resource Center to benefit Native students in the region. This 3-year partnership included support for the American Indian Summer Institute (AISI), an in-person summer bridge program for a cohort of local Native youth. The 2024 cohort was hosted at Rancho Seco Lake where they participated in demonstrations led by Environmental Services staff. SMUD also helped establish the Elder-in-Residence program which provides space for elders to spend time with students and facilitate passing traditional cultural practices and ecological knowledge to students.

Energy Efficiency and Electrification

SMUD’s energy efficiency and building electrification goals are supported by building electrification rebates and retailer incentives for residential and commercial customers for new construction and retrofit programs. Our building electrification goal is to reduce GHG emissions by 365,000 MT by 2030, which is the equivalent of 112,000 all electric homes. Table 1 shows the progress made by these programs in 2024.

Table 1: Energy Efficiency and Electrification Progress in SMUD Territory

SMUD Portfolio	2024 Additions	Cumulative Total	2024 Cumulative Emission Reduction
Building Electrification & Energy Efficiency	5,811 all-electric homes equivalent ³	21,963 all-electric homes equivalent ⁴	109,871 MT CO _{2e} ⁵
Transportation Electrification	15,745 EVs registered ⁶	61,978 EVs registered	198,330 MT CO _{2e} ⁷

Transportation Electrification

SMUD's transportation electrification portfolio includes residential electric vehicle (EV) charger incentives, dealership incentives, residential outreach, commercial charger incentives, and commercial vehicle incentives. Our goal is to have our vehicle electrification programs reduce transportation GHG emissions by 1,000,000 MT CO_{2e} in 2030, the equivalent of electrifying 288,000 vehicles (see Table 1 for progress on this goal). In 2024, we expanded our residential and commercial transportation electrification programs to support the adoption of transportation electrification throughout our service territory, with particular attention to under-resourced communities.

We continued to support the Clean Cars for All program in partnership with Sacramento Metropolitan Air Quality Management District (SMAQMD). This program provides up to \$9,500 toward a new or used plug-in hybrid electric vehicle (PHEV) for income-qualified residents living in areas impacted by higher levels of pollution. We installed 27 EV chargers for income-qualified residents through Clean Cars for All. 189 EV supply equipment (EVSE) and 304 EV circuits and for income-qualified customers to equip these homes for charging to prepare for the future addition of an EV were also installed.

Sacramento Tree Foundation Sacramento Shade Program

In 2024, the Sacramento Tree Foundation distributed 11,363 trees as part of its Sacramento Shade program serving 2,540 customers with an average of 5 trees delivered per customer. A total of 4,136 trees (36.4%) were planted in under-resourced communities. The total carbon (stored in biomass and avoided) for these trees is estimated at 43,339.30 metric tons.

Habitat Conservation Plan

In December 2024, SMUD received an incidental take permit through a federally approved Habitat Conservation Plan. This important milestone allows us to move forward with operations and maintenance activities in sensitive habitats and ensures protection and long-term benefits for threatened and endangered species. This plan reflects our commitment to responsible environmental stewardship by actively protecting habitat for seven federally listed species while balancing service and reliability for our customers. Environmental Services staff acquired mitigation credits to offset impacts and conserve valley elderberry longhorn beetle and giant garter snake habitat, and allocated mitigation credits from the SMUD Rancho Seco Nature Preserve Mitigation Bank for vernal pool fairy shrimp, vernal pool tadpole shrimp, and California tiger salamander.

Workflow Integration Program

In 2024, 286 projects located in areas with potential sensitive biological resources, naturally

³ All-electric homes equivalent is defined as the sum of all fully electrified homes, as well as the all-electric home contribution of individually electrified HVAC systems, heat pump water heaters, and stoves across different homes in SMUD's service territory.

⁴ Cumulative total since 2021.

⁵ The DER Cost Effectiveness Tool evaluates and accounts for DER program effectiveness, calculating gross annual emissions impact. It is reported in each year the "measure" is installed on the grid and within its useful life.

⁶ EPRI Vehicles in Operation report.

⁷ One EV is equivalent to 3.2 MT of GHG reduction, assuming 13k miles/year, 15-year life vehicle via Argonne National Laboratory AFLEET CFI Tool.

occurring asbestos, or soil management plans were reviewed by the Environmental Services team. Avoidance and minimization measures and best management practices were prescribed to 40% of the reviewed projects to reduce impacts on sensitive biological, cultural, and Tribal cultural resources as well as keep field staff and contractors safe when working in areas with naturally occurring asbestos or soil contamination.

Equipment Electrification

SMUD has been replacing its gas/diesel-powered equipment with equivalent electric/battery powered tools where they are available from the market, such as chain saws, trimmers, blowers, and generators. By researching market availability and capitalizing on technological improvements, we achieved 96% hand tool electrification in 2024.

Similarly to tools, SMUD is also focused on reducing emissions generated by our fleet. This is being accomplished through alternative fuel usage, idle reduction and vehicle electrification where the technology is available. Since 2016, SMUD has measured:

- GHG Emissions Reduction through Transportation Electrification, increasing from 1.0 MTCO₂e in 2016 to a reduction of 46.59 MTCO₂e in 2024.
- Electric vehicle miles driven have increased from 2,462 in 2016 to 174,999 in 2024
- Total emissions generated from combustion of fossil fuels by the Fleet have also been reduced from 5,553 MTCO₂e in 2016 to 3,931 MTCO₂e in 2024.
- Fuel Economy has increased from 7.48MPG in 2016 to 9.41MPG in 2024.

Investment Recovery and Sustainable Solutions

The Warehouse team had a remarkable year with the Investment Recovery and Sustainable Solutions (IR&SS) program resulting in extra income, cost savings and less waste sent to landfills. In 2024 the IR&SS program generated \$1.05 million from recycled metals and diverted 980 tons from the landfill. This effort also helped avoid approximately 4,500 MTCO₂e by recycling instead of producing metals from raw materials. Warehouse Material Specialists saved over \$580,000 by implementing a circular economy model (redploy, reuse, repurpose, recycle). We reused 309 wood reels and respooled 79 of those with wire. Additionally, 1,602 wood pallets were recycled or reused instead of going to the landfill.

SMUD contracted with Transformer Technologies, a company that specializes in the decommissioning, dismantling, and recycling of electrical equipment for utilities. This recycling effort not only reduces waste but also supports SMUD's sustainability initiatives by efficiently recycling materials such as copper, aluminum, and oil. In the current market, SMUD receives credit for metal recycling. In 2024, we removed and recycled seven transformers from substations, totaling \$244,524 in credit, and diverted a total of 514,767 pounds of metal from landfills.

4. Challenges

In 2024, challenges associated with meeting the SD-7 goals were related to Zero Carbon Plan projects. As we continue to look for opportunities to build solar projects in Sacramento County and retrofit our existing infrastructure to accommodate the increased load associated with building electrification, electric vehicles, and new development in the downtown Sacramento area, we are encountering new constraints that require increased funding as we try to navigate towards mitigation solutions. Additionally, we anticipate new challenges as a result of the 2024 presidential election.

5. Recommendation

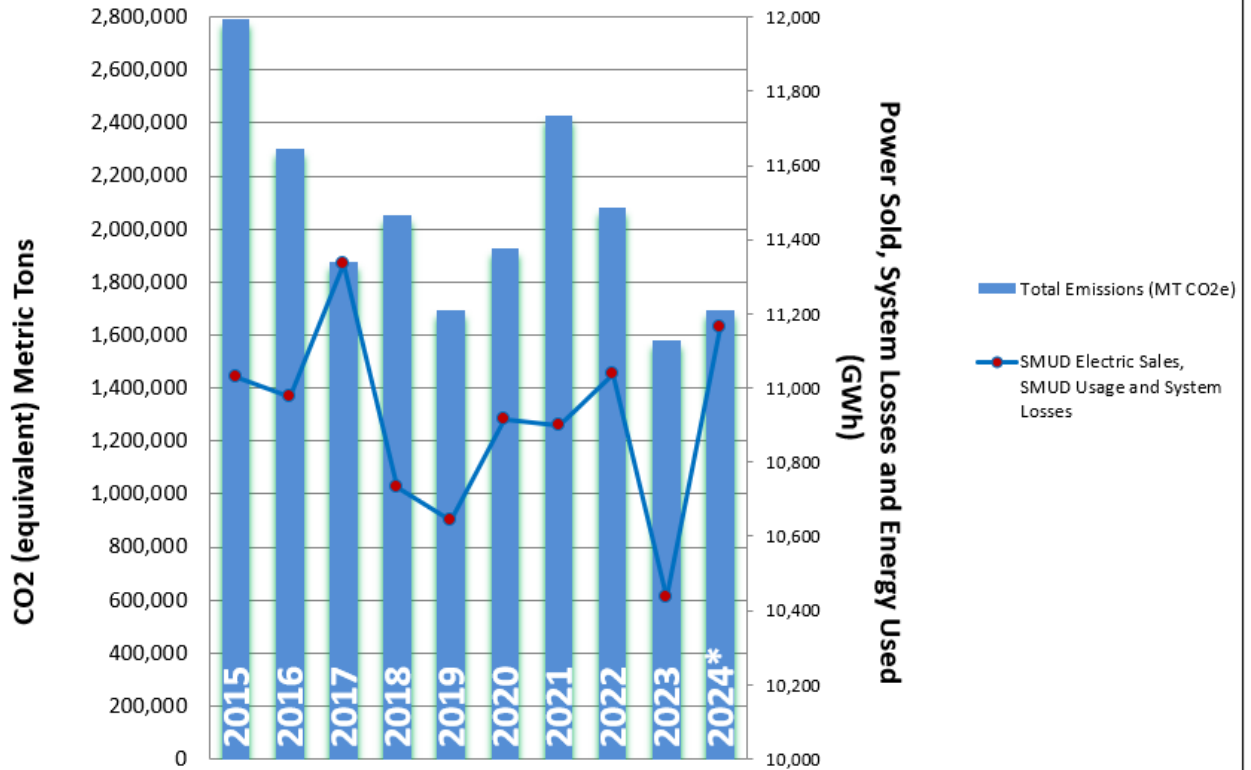
It is recommended that the Board accept the Monitoring Report for SD-7, Environmental Leadership.

6. Appendices

- A. 2015-2024 SMUD Greenhouse Gas Emissions Trends
- B. Sustainable Communities Deliverables and Accomplishments To-Date
- C. 2024 Sustainability Report
- D. List of Acronyms

Appendix A⁸

2015-2024 SMUD Greenhouse Gas Emissions Trends



Total emissions and SMUD electric sales are net of wholesale emissions and wholesale power sales, respectively.

* Starting with the 2024 emissions data, SMUD changed from an annual emissions accounting method to an hourly emissions accounting method that aligns with the requirements under Senate Bill 1158.

Thermal Power Plant Greenhouse Gas Emissions

Source	2023 MMT CO2e	2024 MMT CO2e	Percent Change
Thermal Emissions less any Cogen Sales			
Cosumnes	1,117	1,466	31%
Proctor & Gamble	270	267	-1%
Campbell	275	301	9%
Carson	62	48	-22%
McClellan	1.7	2.3	38%
Power Purchased and System Losses	627	490	-22%
Net of Unspecified Market Purchases and Sales	(774)	(882)	-14%
Total	1,579	1,692	7%

⁸ SD7 reports emissions to meet customer demand net of wholesale market transactions, while SD9 provides an explanation of events that materially increased or decreased our emissions from what was forecast.

Appendix B

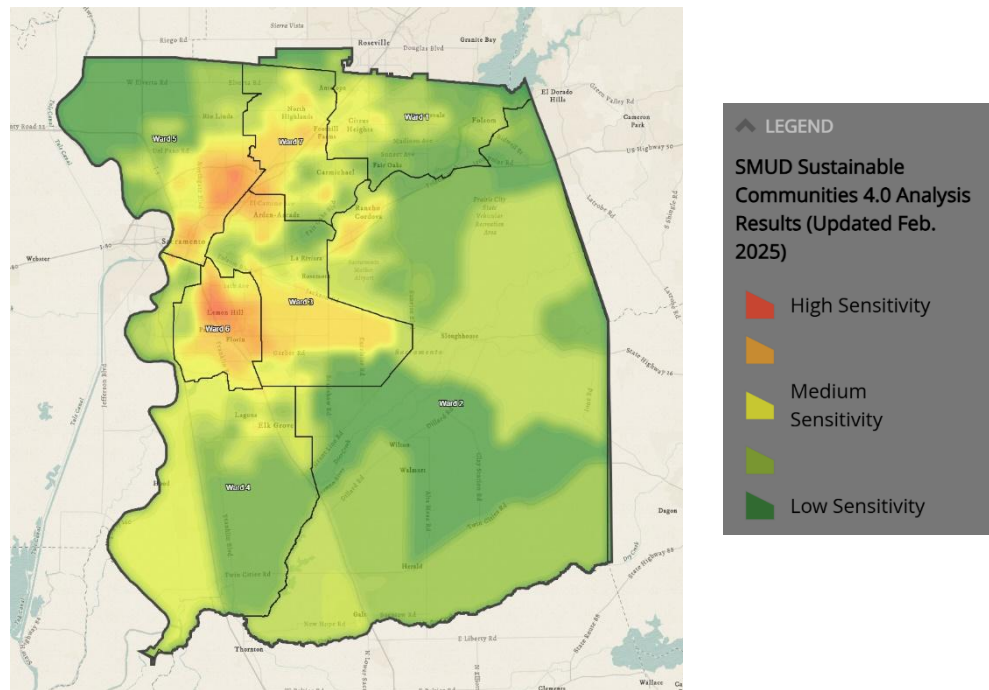
Sustainable Communities Deliverables and Accomplishments To-Date



To promote environmental equity as well as inclusive economic and community development, SMUD continues to focus on community partnerships, programs, and neighborhood outreach activities in vulnerable and under-resourced communities through its Sustainable Communities program, which takes a boots-on-the-ground approach to addressing issues plaguing our community, while creating an inclusive, clean-energy economy for all communities, with a special emphasis on those in historically under-resourced areas.

In 2024, Sustainable Communities updated their core pillars to better align their community-focused programs with SMUD's core purpose and vision – to enhance the quality of life for all our customers through innovative energy solutions. Those pillars help guide investment in a way that helps prioritize environmental equity and economic vitality for all communities in our service area with special attention to historically underserved neighborhoods. The above graphic highlights some key activities and investments for each pillar.

Sustainable Communities Resource Priorities Map



SMUD's Sustainable Communities Resource Priorities Map analyzes current data to identify the local areas most likely to be under-resourced or in distress due to lack of community development, income, housing, employment opportunities, transportation, medical treatment, nutrition, education, and clean environment. The map and underlying source data support a data driven approach to identifying and targeting communities with greater sensitivity to social, economic, and environmental vulnerabilities. SMUD is continuing to assess how various energy programs and projects can be enhanced or expanded to improve equity, incorporating what community members themselves feel is needed to achieve a more equitable energy future.

Appendix C

2024 Sustainability Report

Appendix D

List of Acronyms

AISI	American Indian Summer Institute
CO₂	Carbon Dioxide
CO₂e	Carbon Dioxide Equivalent
EPRI	Electric Power Research Institute
GHG	Greenhouse Gas
IR&SS	Investment Recovery and Sustainable Solutions
MW	Megawatt
MMT	Million Metric Tons
PCB	Polychlorinated Biphenyls
PHEV	plug-in hybrid electric vehicle
SD	Strategic Direction
SMUD	Sacramento Municipal Utility District
TCR	The Climate Registry
VOA	Volunteers of America
ZCP	Zero Carbon Plan

SSS No. RS 25-002

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date

Policy – 12/10/25

Board Meeting Date

December 11, 2025

TO					TO							
1.	Claire Rogers				6.	Farres Everly						
2.	Bryan Swann				7.							
3.	Lora Anguay				8.							
4.	Suresh Kotha				9.	Legal						
5.	Brandy Bolden				10.	CEO & General Manager						
Consent Calendar		X	Yes	No If no, schedule a dry run presentation.		Budgeted		X	Yes	No (If no, explain in Cost/Budgeted section.)		
FROM (IPR)				DEPARTMENT				MAIL STOP		EXT.		DATE SENT
Sara Elsevier				Resource Planning				B205		5056		11/14/25

NARRATIVE:

Requested Action:

Accept the monitoring report for Strategic Direction SD-9, Resource Planning.

Summary:

Annual SD-9 Resource Planning Monitoring Report for achievements in 2024.

Board Policy:

(Number & Title) Meets annual monitoring requirement for SD-9 (Resource Planning) providing SMUD s progress towards key resource planning objectives including progress towards our greenhouse gas reduction goals, renewables portfolio standard (RPS), energy efficiency, building and transportation electrification, improving access and offerings for under-resourced communities, and support of clean distributed energy resources through programs.

Benefits:

Provide a status report of 2024 achievements to the Board members on meeting our core resource planning objectives contained in Strategic Direction SD-9, Resource Planning.

Cost/Budgeted:

Contained in budget for internal labor.

Alternatives:

Provide via written report through the Chief Executive Officer and General Manager.

Affected Parties:

Enterprise Strategy, Customer and Grid Strategy, Advanced Energy Solutions, Customer and Community Services, Communication, Marketing and Community Relations, Treasury Operations & Risk Management, Legal, Government Affairs & Reliability Compliance, Energy Delivery and Operations, Sustainable Communities, Customer Experience Delivery

Coordination:

Resource Planning

Presenter:

Bryan Swann, Director, Resource Planning & Settlements

Additional Links:

SUBJECT	Annual SD-9 Resource Planning Monitoring Report	ITEM NO. (FOR LEGAL USE ONLY)
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SACRAMENTO MUNICIPAL UTILITY DISTRICT

OFFICE MEMORANDUM

TO: Board of Directors

DATE: November 17, 2025

FROM: Claire Rogers *CR 11/17/25*

**SUBJECT: Audit Report No. 28007871
Board Monitoring Report; SD-9: Resource Planning**

Internal Audit Services (IAS) received the SD-9 *Resource Planning* 2024 Annual Board Monitoring Report and performed the following:

- Selected a sample of statements and assertions in the report for review.
- Compared sample to the corresponding supporting documentation to identify potential discrepancies.

All items sampled within the SD Report aligns with the supporting documentation provided at the time of review.

CC:

Paul Lau

Board Monitoring Report 2024

SD-9, Resource Planning



1. Background

It is a core value of SMUD to provide its customers and community with a sustainable power supply using an integrated resource planning process.

A sustainable power supply is one that reduces SMUD's greenhouse gas (GHG) emissions to serve retail customer load to zero by 2030. Zero GHG emissions will be achieved through investments in energy efficiency, clean distributed energy resources, renewables portfolio standard (RPS) eligible renewables, energy storage, large hydroelectric generation, clean and emissions free fuels, and new technologies and business models. Additionally, SMUD will continue pursuing GHG savings through vehicle, building and equipment electrification.

SMUD shall assure reliability of the system, minimize environmental impacts on land, habitat, water and air quality, including Tribal and other cultural impacts, and maintain competitive rates relative to other California electricity providers.

To guide SMUD in its resource evaluation and investment, the Board sets the following energy supply goal:

Year	Greenhouse Gas Emissions (metric tons)
2020	2,318,000
2030 - beyond	0

In keeping with this policy, SMUD shall also achieve the following:

- a) Pursue energy efficiency and electrification to reduce carbon emissions by 365,000 metric tons from buildings and 1,000,000 metric tons from transportation in 2030 (the equivalent of 112,000 single family homes and 288,000 passenger vehicles electrified).
- b) Procure renewable resources to meet or exceed the state's mandate of 33% of SMUD's retail sales by 2020, 44% by 2024, 52% by 2027, and 60% of its retail sales by 2030 and thereafter, excluding additional renewable energy acquired for certain customer programs.
- c) In meeting GHG reduction goals, SMUD shall:
 - i. Emphasize local and regional benefits.
 - ii. Improve equity for under-served communities.
- d) Explore, develop, and demonstrate emerging GHG-free technologies and business models.
- e) Promote cost effective, clean distributed generation through SMUD programs.

2. Executive Summary

As this report demonstrates, SMUD made progress towards the key Strategic Direction 9 (SD-9) goals in 2024. SMUD added 86 MW of wind to our energy supply; supported a 36% increase in all-electric buildings and a 34% increase in electric vehicles (EVs); met the state's mandate of 44% retail sales met by renewable resources in 2024 while planning to exceed future renewable milestones; implemented programs focused on local benefits and under-served communities; pursued new GHG-free technologies including carbon capture and storage; and supported the addition of 44 MW of customer solar and storage. Our GHG emissions to meet customer electricity needs were approximately 1,692 thousand metric tons (MT) of greenhouse gas (GHG) in 2024. This emissions level reflects several factors that SMUD cannot control for, including unforeseen

changes in wind and hydro generation and customer load during the year. Adjusting for these factors, SMUD's emissions would have been about **1,382 thousand MT GHG**.

3. Additional Supporting Information

SD-9 sets various sustainable power supply goals for our integrated resource plan (IRP) as well as for our customer programs. Our IRP process informs long-term strategic development of programs and generation resources and balances reliability, sustainability, environmental, financial, and customer benefits while achieving SD-9 goals. In 2021, the Board adopted the 2030 Zero Carbon Plan (ZCP) as our IRP and revised our SD-9 targets in line with the plan (for a detailed history of SD-9, see Appendix A). The ZCP is our roadmap to eliminate GHG emissions from our electricity supply by 2030. Our progress related to SD-9 goals and implementation of our ZCP is detailed in this report.

A. Greenhouse Gas Emissions

GHG emissions associated with meeting customer electricity needs were 1,692 thousand MT GHG (Table 1). GHG emissions adjusted for unexpected wind, hydro, and customer load conditions were 1,382 thousand MT GHG. See Appendix B for more detail on SMUD's adjusted emissions and how they are calculated.

Table 1: SD-9 GHG Emissions & Near-term Targets

Source	Net Power (GWh)	GHG Emissions (Thousand MT GHG)
Net generation and specified power purchases	13,448	2,574
Net wholesale market transactions (un-specified purchases less sales)	-2,286	-882
GHG emissions to meet customer load (SD-7 emissions)¹	11,162	1,692
Load variability adjustment		-163
Hydro variability adjustment		-93
Wind variability adjustment		-54
Adjusted emissions (SD-9 emissions)		1,382
2030 Target		0

B. Energy Efficiency and Electrification

SMUD's energy efficiency and building electrification goals are supported by building electrification rebates and retailer incentives for residential and commercial customers for new construction and retrofit programs. SMUD's transportation electrification portfolio includes residential electric vehicle (EV) charger incentives, dealership incentives, residential outreach, commercial charger incentives, and commercial vehicle incentives. Table 2 shows the progress made by these programs in 2024.

¹ This year, SMUD has moved from an annual emissions accounting methodology to an hourly emissions accounting method that aligns with the requirements under Senate Bill 1158 which will require SMUD and other utilities to provide an hourly emissions intensity factor starting in the reporting year 2027. The hourly granularity is valuable as we evaluate future clean energy resource options to support our zero carbon transition, ensuring we construct a diverse resource portfolio while avoiding over investment in any single technology.

Table 2: Energy Efficiency and Electrification Progress in SMUD Territory

SMUD Portfolio	2024 Additions	Cumulative Total	2024 Cumulative Emission Reduction (MT GHG)
Building Electrification & Energy Efficiency	5,811 all-electric homes equivalent ²	21,963 all-electric homes equivalent	109,871
Transportation Electrification	15,745 EVs registered	61,978 EVs registered	198,330 ³

C. Renewable and Zero Carbon Energy Resources

We continue to expand our portfolio of renewable resources to meet state RPS requirements and the needs of the ZCP. Updates on these efforts are provided below.

California Renewable Portfolio Standard (RPS)

Although our goals are more ambitious than already aggressive state mandates, we continue to implement a renewable energy strategy that meets state RPS requirements. Leveraging existing and new RPS eligible renewable generation, we acquired sufficient resources to achieve our RPS compliance obligation for the 2021-2024 compliance period. For a detailed discussion of our RPS compliance period obligation, please see Appendix B.

Zero Carbon Resource Progress and Development

To meet all of our environmental goals, we continue to pursue zero carbon technologies, such as wind, geothermal, solar, energy storage, and carbon capture and storage (CCS). In 2024, we added 86 MW of wind to our portfolio, resulting in an annual portfolio emission reduction of ~90 thousand MT GHG. Since the adoption of the ZCP in 2021 and through 2024, we have added zero carbon resources totaling 286 MW of generation and 4 MW of storage. An additional 1,626 MW of local and regional zero carbon generation and 548 MW of local storage are in various stages of planning, development, or evaluation, with online dates prior to 2030 (see Table 4 in Appendix C for more details). Beyond the projects identified in this report, we are regularly reviewing and pursuing additional zero carbon resource opportunities.

Voluntary Renewable Energy Programs

We continue to expand our customers' voluntary renewable program choices and align the programs to our ZCP. In 2024, we delivered a total of 828 GWh (7.7% of retail sales) to customers participating in either Greenergy or SolarShares. Our Greenergy program delivered 505 GWh, which served more than 63 thousand residential and commercial accounts. The SolarShares program for both residential and commercial accounts delivered 323 GWh. Most notably, our Residential SolarShares program for income-qualified customers, launched in late 2023, delivered over 192 MWh of energy.

² All-electric homes equivalent is defined as the sum of all fully electrified homes, as well as the all-electric home contribution of individually electrified HVAC systems, heat pump water heaters, and stoves across different homes in SMUD's service territory.

³ One EV is equivalent to 3.2 MT of GHG reduction, assuming 13k miles/year, 15-year life vehicle via Argonne National Laboratory AFLEET CFI Tool.

D. Emerging clean energy technologies

To fully decarbonize our energy supply by 2030 as part of our ZCP, we must explore emerging clean technologies that provide resource reliability for days, weeks, and months. A major highlight of this work in 2024 was SMUD's support of Calpine in pursuing and winning a \$270 million grant under the DOE's Carbon Capture Demonstration Projects Program for the 550 MW Sutter Energy Center in Sutter County which if successful would store up to 1.7 million MT/GHG annually. Although the US DOE recently cancelled this grant award in 2025, Calpine continues to develop this project as federal carbon tax credits are still available that significantly reduce the cost of this potential project. SMUD plans to discuss a potential power purchase agreement for the project with the SMUD Board in 2026. Staff also continue to evaluate promising long-duration energy storage technologies and clean fuel opportunities in this area.

E. Local and Regional Benefits and Under-resourced Communities

Our ZCP was designed to provide wide-reaching benefits to our community, including expanded workforce development, while focusing on equity in our communities.

Electrification in Under-resourced Communities

SMUD's tailored approach to engaging and investing in our under-resourced communities and helping to support their transition to zero carbon is strategically driven by the Community Impact Plan (CIP). In the plan's third year of implementation, SMUD has expanded its engagement efforts to include additional neighborhoods, increased outreach in a wider range of languages, forged new community-based partnerships, and enhanced the installation of electrification measures in both commercial and residential buildings. In 2024, CIP funds supported:

- Residential Neighborhood Electrification – 1,068 energy efficiency and electrification measures installed for 129 income-qualified customers in the Meadowview neighborhood.
- Business District Electrification – 36 energy efficiency and electrification measures installed at 17 commercial sites in the greater Sacramento region.

Additional work supporting electrification for under-resourced and income-qualified customers in our service territory is detailed in Appendix C.

Local Workforce Development

Through a collaborative and community-based approach, we partnered with community organizations and education entities to create training programs that advanced jobs and skills related to emerging zero carbon energy and electrification. Participants from under-resourced communities will be well-positioned to fill the projected need for workers in the clean energy industry and other emerging high wage careers. In 2024, the Regional Workforce Development team partnered with 45 community organizations to reach 4,709 youth and adults with career education and training and help 991 trainees find meaningful employment. Further details are provided in Appendix C.

F. Distributed Generation and Storage

SD-9 requires that SMUD develop programs to promote cost effective, clean distributed generation. The following describes progress on these programs in 2024.

Flexible Demand Programs

Our flexible demand programs seek to optimize operation of our customer-partner's equipment and distributed energy resources in a way that balances customer-partner and grid needs by compensating customers for the grid benefits they provide. The following programs have made notable contributions to our load flexibility goals in 2024:

- My Energy Optimizer Partner+ program for battery storage (a residential virtual power plant program) enrolled 302 customer batteries resulting in 1.63 MW of flexible load capability.
- My Energy Optimizer Partner program for smart thermostats enrolled 30,427 devices installed in the homes of 24,857 customers, including 727 on the Critical Peak Pricing rate,⁴ with total potential flexible load capacity of 23.73 MW.
- Peak Conserve program for AC load control switches installed 1,783 devices, totaling 1.41 MW of potential flexible load capacity.
- PowerDirect®, an automated demand response (ADR) program for commercial customers, enrolled 35 customers and achieved a flexible load potential of 28.0 MW by the end of 2024.

Customer-side Solar and Storage

Customer-sited distributed generation and storage continued to expand in 2024. Residential and commercial customers installed 34.7 MW (5,930 systems) of solar PV and 9.2 MW (466 systems) of storage in addition to the My Energy Optimizer Partner+ program. For more detailed information, see Appendix C.

4. Challenges

SMUD continues to make progress towards SD-9 goals but it is not without challenges. The primary challenges include project development timeline delays and increasing resource costs which are due to many factors. Despite these challenges, SMUD continues working diligently to develop and identify new clean energy projects and customer programs that will bring us closer to our goals, within our financial and reliability guardrails.

5. Recommendation

It is recommended that the Board accept the Monitoring Report for SD-9.

⁴ Critical Peak Pricing (CPP) is an optional time-based rate. This rate is in addition to the Time-of-Day Rate (5-8 p.m.) and gives customers a discount throughout non-Peak-Event hours in exchange for higher prices during Peak Events.

Appendix A – SD-9 History

SD-9 was established by our Board in 2004 to guide our ongoing environmental leadership and our IRP process, balancing financial and customer rate impacts, reliability requirements, and equity considerations. Our strategic directions have evolved in response to changes in markets, policies, and laws. In December 2008, the Board added sustainable power supply as a core objective of the IRP process and set a GHG emissions target.

In 2018, the Board updated our GHG reduction goals to include a 2040 Net Zero GHG goal. Subsequently, in 2020, our Board adopted a Climate Emergency Resolution, committing to work towards carbon neutrality by 2030. Also in 2020, the Board adopted carbon-based targets for energy efficiency and building electrification, making SMUD the first major utility to use carbon as a tracking metric for efficiency.

In April 2021, the Board adopted Resolution No. 21-04-04, updating SD-9 to align with our ZCP goal of zero GHG emissions in our energy supply by 2030, along with specific goals for GHG reductions related to electrification.

To achieve our goal of zero carbon by 2030, we are focusing on:

- Procuring new zero carbon and renewable energy resources.
- Expanding customer programs for energy efficiency and building and transportation electrification.
- Developing new customer programs and investigating emerging zero carbon technologies.
- Continuing our efforts to improve equity for our under-resourced communities and enhancing the health of our ecosystems.

Under SD-9, our goal is more ambitious than California’s planned trajectory, which requires utilities to source at least 60% of retail sales with eligible renewable resources by 2030 and aims for economy-wide carbon neutrality by 2045.

Appendix B – Methodology

GHG Emissions

SMUD’s reported emissions for SD-9 are the SD-7 emissions with adjustments that help explain the largest drivers in changes to our emission result for the year. These key drivers can result in higher or lower than expected customer load, hydro generation, and wind generation; these are things outside of our control and impacted by weather and other events. At the beginning of each year, we establish a best estimate forecast for load, hydro, and wind generation based on expected weather patterns and anticipated customer growth. Extreme and unanticipated weather events can affect actual emissions significantly, necessitating these adjustments. For example, severe drought can reduce hydro generation, resulting in a greater reliance on nonrenewable resources and requiring corresponding reduction to SD-9 emissions. Thus, adjusted emissions reflect what our emissions would have been if no unforeseeable external factors had occurred. The adjustments to actual GHG emissions in 2024 include:

- A *decrease* to account for higher-than-expected customer load.
- A *decrease* to account for lower-than-expected hydro production.
- A *decrease* to account for lower-than-expected wind production.

Renewables Portfolio Standard Compliance Period Obligations

State law requires that SMUD procure renewable generation for at least 60% of retail sales by 2030 as well as achieve interim targets over several compliance periods.⁵ The State determines compliance with RPS obligations over multi-year compliance periods, rather than strictly within individual years, in acknowledgment of the “lumpiness” of new resource additions and to provide some flexibility to utilities.

In 2024, renewable generation decreased relative to 2023 due to fewer short-term renewable contracts (less than 3 years) needed to meet RPS. Short-term renewable contracts are used to fill shortfalls in renewables needed to meet RPS compliance requirements, usually due to renewable project delays or under-delivery. SMUD acquired sufficient resources to meet all RPS compliance obligations for compliance period 4 (2021 – 2024) and continues to plan RPS eligible resources to meet future compliance period requirements.

Appendix C – Detailed Project Descriptions

Energy Efficiency and Building Electrification

Our goal is to have building electrification and energy efficiency programs reduce GHG emissions by 365,000 MT in 2030, the equivalent of electrifying 112,000 single family homes (see Table 2 for progress on this goal). Table 3 provides a more detailed summary of some of our 2024 energy efficiency and building electrification accomplishments, including offerings for our income-qualified customers.

Table 3: Energy Efficiency and Building Electrification Accomplishments

Measures & Projects Highlights	Install Count
Commercial Retrofit Projects Completed	299
New Efficient Commercial Buildings Projects Completed	11
Multifamily Units Retrofitted	435
Efficient Induction Cooktops (Electric to Electric)	141
Efficient Induction Cooktops (Gas to Electric)	345
Residential Heat Pump Water Heaters Installed (Electric to Electric)	87
Residential Heat Pump Water Heaters Installed (Gas to Electric)	1,704
Residential HVAC Installations (Electric to Electric)	322
Residential HVAC Installations (Gas to Electric)	4,413
Residential Seal and Insulate Installations	343
All Electric New Homes and Multifamily units Constructed	1,689

⁵ Senate Bill 100 (De León, Chapter 312, Statutes of 2018) increased RPS targets to 44% by the end of 2024, 52% by the end of 2027, 60% by the end of 2030 and set a statewide planning goal to meet 100% of retail electricity sales with RPS eligible and zero-carbon resources by 2045.

Income-Qualified Measures & Projects Highlights	Install Count
Panel Upgrades	77
Heat Pump Space Heating (Gas to Electric)	324
Heat Pump Water Heaters (Gas to Electric)	143
Induction Stoves (Gas to Electric)	56
Induction Hot Plates for Renters	86
Total energy efficiency bundles and electrification measures ⁶	2,026

Transportation Electrification

Our goal is to have our vehicle electrification programs reduce transportation GHG emissions by 1,000,000 MT in 2030, the equivalent of electrifying 288,000 vehicles (see Table 2 for progress on this goal). In 2024, we expanded our residential and commercial transportation electrification programs to support the adoption of transportation electrification throughout our service territory, with particular attention to under-resourced communities.

The residential Drive Electric program continued to promote the adoption of plug-in EV's through a variety of program offerings. Below are some metrics related to the residential Drive Electric program in 2024:

- EV Rate Credit - Approximately 54% of residential EV households, equivalent to 29,589 customers, participated in the EV rate credit (midnight to 6 AM EV charging discount).⁷
- Ride & Drive - Six EV Ride & Drive events were held across our territory, attracting 745 unique participants, including 173 from SMUD employee events.
- Charge@Home - 4,098 residential customers received incentives for EV chargers, installations/circuits, and/or circuit sharing devices through the Charge@Home program.
- EV Advisor - This program offered personalized one-on-one EV advice and support to 7,185 customers. Approximately 75% of inquiries were related to incentive information, while 18% were questions about charging.
- Clean Cars for All - We continued integral support of the Clean Cars for All program in partnership with Sacramento Metropolitan Air Quality Management District (SMAQMD). This program provides up to \$9,500 toward a new or used PHEV for income-qualified residents living in areas impacted by higher levels of pollution. We installed 27 EV chargers for income-qualified residents through Clean Cars for All.
- Income-Qualified Installations - We installed 189 EV supply equipment (EVSE) in addition to the chargers installed through Clean Cars for All, and 304 EV circuits, for income-qualified customers to prepare these homes for the future addition of an EV.

The Commercial EV Program updates for 2024 include:

- Commercial Installations - Total Commercial EV program incentives in 2024 included the installation of 611 level II EV chargers and 67 DC fast chargers. Level II chargers comprised of 591 installed through the Commercial EV program and 20 from the California Electric Vehicle

⁶ This includes all measures implemented for income-qualified customers throughout the year, including the electrification work for income-qualified customers highlighted in the previous rows (panel upgrades, heat pumps, induction stoves and hot plates), as well as installation of weatherization, LED light bulbs, bug screens, attic insulations, EV circuits, EVSE equipment, etc. This total also includes all neighborhood and business district electrification measures reported in Section 3E.

⁷ SAP Installation Fact 5090 Rates report, and EPRI Vehicles in Operation report.

Infrastructure Project (CALeVIP) for publicly available charging. A total of 97 handles were installed at 10 individual equity projects serving under-resourced customers located in a disadvantaged community such as Mutual Housing and the Sacramento Food Bank.

- **eFuel Services** - The eFuel Advisor program delivered 44 customized reports to assist commercial fleet customers in developing fleet electrification plans, which included site analysis, charger recommendations, and cost estimates. The program anticipates further growth in 2025, supported by the CEC's REACH 1.0 grant in partnership with Mutual Housing.
- **FAST Grant** - Design commenced at three strategic locations in Sacramento including Sacramento International Airport (SMF), Sacramento Valley Station, California State University Sacramento for the CEC's FAST (Fast and Available Charging for All Californians) grant. This effort to deploy DC fast chargers will increase access to EV charging for ride-share drivers, food delivery drivers, rental car fleets, shared mobility services, nearby residents, long-distance travelers and the general public. The grant also funds a new EV App initiative aimed at increasing charging affordability for ride share drivers and income eligible multifamily residents.

Zero Carbon Resource Progress and Development

Our project development pipeline for utility-scale zero carbon technology projects is shown in Table 4. The table includes completed, under development, and planned procurement activities since adoption of the ZCP in 2021.

Table 4: Project Development Pipeline

Project Name	Resource Type	Projected Online Year	Status (as of December 2025)	Size (MW)	Equivalent Homes Powered	Potential Emissions Avoided (thousand MT/year)
Completed ZCP Projects - As of End of 2024						
Hedge	Local Battery	2022	Online	4	800 (peak)	0
NTUA (Drew)	Regional Solar PV	2022	Online	100	34,600	121
Calpine Geysers	Geothermal	2023	Online	100	97,300	342
Solano 4 (Solano 1 Repower)	Wind	2024	Online	86	25,800	90
Completed Subtotal	Generation			286	158,500	553
	Storage			4		
Planned ZCP Projects – As of End of 2024						
Sloughhouse	Local Solar PV	2025	Online	50	15,400	54
CPP Retool (Turndown)	Thermal Retrofit	2025	Online	n/a	n/a	100
Hatchet Ridge	Regional Wind	2025	PPA Signed	101	30,500	107
Country Acres	Local Solar PV	2027	PPA Signed, Under Construction	344	70,800	248
	Local Battery			172	34,400 (peak)	0
SunZia	Wind	2027	PPA Signed, Under Construction	150	54,200	190
S2PVI (Terragen)	Regional Solar PV	2027	PPA Signed	46	13,000	46
Dry Creek	Local Battery	2027	PPA Signed	160	32,000 (peak)	0
Grace	Regional Solar PV	2027	PPA Signed	70	16,300	57
Sutter CCS	CCS	2029	Under Evaluation	315	221,500	919
Calpine Geysers II	Geothermal	2028	PPA Signed	25	46,200	162
		2030		25		
Solano 2 Repower	Wind	TBD	Under Evaluation	94	36,400	128
Oveja Ranch	Local Solar PV	TBD	Under Evaluation	75	21,100	74

	Local Battery			38	7,600 (peak)	0
Curry Creek	Local Solar PV	TBD	Under Evaluation	156	49,100	172
	Local Battery			78	15,600	0
Coyote Creek	Local Solar PV	Delayed	PPA Signed	200	55,200	194
	Local Battery			100	20,000 (peak)	0
Planned Subtotal	Generation			1,626	739,000	2,451
	Storage			548		
Grand Total	Generation			1,912	897,800	3,004
	Storage			552		

Looking forward, we continue to explore various options to procure or develop additional renewable and zero carbon resources, including local solar and storage. Potential projects are thoroughly screened based on cost, projected online date, environmental and cultural impacts, and feasibility to ensure projects meet our specific requirements. We are actively discovering and pursuing new project opportunities in support of our 2030 zero carbon goal.

Emerging Clean Energy Technologies and Grants

In 2024, we continued to pursue and win grants for research efforts, clean energy installations, and customer focused GHG reduction projects as part of our ZCP. Below are projects we pursued in 2024. More information on our research and development work can be found in the 2024 SD-10 Report.

- **Multifamily EV Charging Community:** In December 2024, SMUD formalized a contract with the CEC for our awarded Reliable, Equitable, and Accessible Charging for Multi-family Housing (MFH) grant (GFO-22-614). Through our established MFH program, SMUD will deploy 300 Level 2 charging ports and 200 Level 1 charging ports to serve MFH units. These chargers will primarily be installed at MFH properties, with some also located at publicly accessible retail sites adjacent to MFH properties. At least 90% of these chargers will serve CalEnviroScreen 4.0 (CES4) priority populations and income-qualified residents.
- **California Energy Reliability and Resilience Investment (CERRI) award:** This project was awarded \$25.5 million in December 2024 and aims to install at least 230 network protectors along with more than 250,000 to 400,000 circuit feet (CF) of underground jacketed cabling. The purpose is to upgrade necessary protector and cabling sites to reduce the potential for grid failures due to flood, fire, and other external triggers. Contracting with the DOE and California Energy Commission (CEC) is anticipated to be complete by Q1 2026, with work scheduled to begin in Spring 2026. The expected period of performance is from 2026 to 2031.
- **Charging and Fueling Infrastructure (CFI) award:** In 2024, SMUD was awarded a \$11.3 million grant from the Federal Department of Transportation for the Charging and Fueling Infrastructure program. The project was designed to install over 90 Level 1 and Level 2 ports in strategic locations between Downtown Sacramento and Elk Grove. Per the application, more than 50% of sites were located in disadvantaged communities with a focus on retail and transit corridors. However, a presidential Executive Order in January 2025 effectively cancelled the grant. SMUD does not anticipate receiving funds or activating this project at this time.
- **Meadowview Neighborhood Electrification award:** The Federal Department of Energy (DOE) awarded SMUD a Congressionally Designated Spending (CDS) grant for energy efficiency and weatherization upgrades to 300 homes. The total CDS award of \$3 million was allocated on behalf of Congresswoman Doris Matsui. SMUD completed contracting with the DOE in September 2024, and the period of performance started in October 2024 with completion in September 2025. The project has since been completed and served a total of 350 homes-surpassing its original 300 homes goal.

Local and Regional Benefits and Under-resourced Communities

At SMUD, our community is at the heart of all we do. We are working with and listening to our customers to develop programs that support livable and resilient communities regardless of where they are on their journey to zero carbon. In 2024, this work included:

- Building Electrification and Energy Efficiency. Continued expansion of efforts to provide no-cost energy retrofit installations to income-qualified residential customers, focusing on both gas-to-electric conversions and electric-to-electric upgrades. Notable income-qualified project highlights are found in Table 3.
- Transportation Electrification. SMUD's EV programs provided low cost or free EV charging infrastructure for income-qualified customers along with expertise in home charging solutions. EV measures related to income-qualified customers are reported in the Transportation Electrification section above.
- Flexible Demand Programs. Participation in SMUD's portfolio of flexible demand programs can sometimes require costly technologies, such as a smart thermostat, EVs, or solar and battery storage systems. Despite these barriers, we continued to explore more inclusive approaches for our load flexibility programs. For instance, Peak Conserve Program offers free installation of AC load control devices to ensure all customers can take part in our load flexibility offerings.
- Customer-side Solar and Storage. In 2024, SMUD installed 31 solar PV systems for income-qualified customers, 19 of which included battery storage, enabling customers to participate in our virtual power plant program.
- Shine Awards. The Shine Awards program invests in local nonprofit partners that execute inclusive and equitable projects through collaborations and partnerships supporting our historically under-resourced communities. In 2024, 84 organizations submitted applications and 29 projects totaling \$563,719 were awarded in 2024. Projects included clean energy and STEM education projects, native habitat improvement work, career education including expanded access to workforce development trainings and exposure to careers in trades, construction, and environmental work, and electric equipment upgrades for nonprofits.
- Low-Moderate Income Strategy. In 2024, custom research was done to better understand the "missing middle"—customers who are low-to-moderate income, do not qualify for Energy Assistance Program Rate (EAPR), and may be resource-constrained. A greater understanding of their unique challenges, experiences, and electrical needs are now informing and being integrated into SMUD programs, processes, and offerings.
- Sustainable Communities Resource Priorities Map. Our Sustainable Communities Resource Priorities Map continues to receive annual updates to the underlying data. It is a key resource, helping guide resource allocation toward reducing growing economic disparity in Sacramento County and ensuring the benefits of our ZCP are shared equitably among all communities.
- Workforce Development. Our 2024 Regional Workforce Development programs recruited and trained individuals from Sustainable Communities target neighborhoods to work in areas directly impacting our region's ability to meet our 2030 zero carbon goals. In 2024, we worked with partners to train our community in skills related to solar, battery, EV, and electrification technologies and supported graduates with employment services such as connecting with employers, resume writing help, and career coaching. Key work in 2024 included:
 - Worked to ensure that largescale infrastructure and grant projects have demonstrable community benefits, and realized benefits in several SMUD projects, creating equitable pathways to the employment opportunities.
 - Continued to support the Electrician Trainee program with NCCT, which trained 55 people and placed 26 people in jobs leading to careers as electricians. The focus of the program is to help put more diverse apprentices in the IBEW pipeline.

- Partnered with Cosumnes River College to continue to support a Construction Electrification course that provides enrollees with a stipend to complete 36 hours of lecture and 54 hours of hands-on learning. The focus of the course is on understanding the importance of building electrification and how to install heat pumps, EV chargers, and other supporting electrical infrastructure. Upon graduation, students earn industry relevant certifications along with 3 course units that can be applied to a Construction Pre-Apprenticeship or Construction Management Credential. 64 individuals completed the class in 2024.
- Through our ongoing partnership with Grid Alternatives, 58 people received solar and electrification training, with 33 participants being placed into jobs.
- Salvation Army’s construction training program incorporated a technology component into its curriculum with the support of SMUD, providing participants with Chromebooks. This access to technology also enhanced the learning experience for students in the Oak Park After School Program. In addition to energy efficiency improvement projects at the Salvation Army’s Alhambra campus, the organization established an annual energy education program that aligns with SMUD’s zero carbon plan.
- In an innovative pilot partnership with the California Conservation Corps (CCC), SMUD brought Vestas Wind Corporation to Sacramento to provide in-classroom training to local corps members and then sent participants to our Solano Wind project to practice climbing wind towers. With that experience, two CCC graduates found employment with Vestas at SMUD’s wind facilities. The program is being expanded this year to target up to 10 positions at Vestas.

Customer-side Solar and Storage

Table 5 summarizes customer solar and storage installation data through 2024. By the end of 2024, SMUD had over 400 MW of cumulative customer solar and over 19 MW of cumulative customer storage.

Table 5: 2024 Customer Solar PV and Storage Installations⁸

	Residential		Commercial		Totals	
	Installed Systems	MW	Installed Systems	MW	Installed Systems	MW
Customer Solar PV	5,682	24.8	248	9.9	5,930	34.7
Customer Storage	460	4.2	6	5.0	466	9.2

⁸ This table includes net-energy metering (NEM), Solar Smart, virtual net-energy metering (VNEM), and Solar and Storage Rate installations.

SSS No. LEG 2025-0114

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
Policy – 12/10/25Board Meeting Date
December 11, 2025

TO				TO			
1.	Steve Lins			6.			
2.	Farres Everly			7.			
3.	Brandy Bolden			8.			
4.	Suresh Kotha			9.	Legal		
5.				10.	CEO & General Manager		
Consent Calendar	<input checked="" type="checkbox"/>	Yes		No <i>If no, schedule a dry run presentation.</i>	Budgeted	<input checked="" type="checkbox"/>	Yes
				No <i>(If no, explain in Cost/Budgeted section.)</i>			
FROM (IPR) Dani Roberts				DEPARTMENT Government Affairs			
				MAIL STOP B404	EXT. 6419	DATE SENT 11/18/25	

NARRATIVE:**Requested Action:** Accept the monitoring report for **Strategic Direction SD-11, Public Power Business Model.****Summary:** The 2025 annual monitoring report provides the Board with a status report of legislation and regulations that impact SD-11, Public Power Business Model. This core value was established to support public power and preserve local decision making.**Board Policy:** Strategic Direction SD-11, Public Power Business Model
*(Number & Title)***Benefits:** Receive input and opportunity to make corrections, additions, or changes if necessary.**Cost/Budgeted:** Costs contained in internal labor budget.**Alternatives:** Provide to the Board via memo or written report through the Chief Executive Officer and General Manager.**Affected Parties:** SMUD and Board of Directors**Coordination:** Executive Office, Board Office, Government Affairs and Legal Department**Presenter:** Steve Lins, Deputy General Counsel and Director of Government Affairs**Additional Links:**

SUBJECT

Monitoring Report – SD-11, Public Power Business Model

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SACRAMENTO MUNICIPAL UTILITY DISTRICT

OFFICE MEMORANDUM

TO: Board of Directors

DATE: November 20, 2025

FROM: Claire Rogers *CR 11/20/25*

**SUBJECT: Audit Report No. 28007877
Board Monitoring Report; SD-11: Public Power Business
Model**

Internal Audit Services (IAS) received the SD-11 *Public Power Business Model* 2025 Annual Board Monitoring Report and performed the following:

- Selected a sample of statements and assertions in the report for review.
- Compared sample to the corresponding supporting documentation to identify potential discrepancies.

All items sampled within the SD Report aligns with the supporting documentation provided at the time of review.

CC:

Paul Lau

Board Monitoring Report 2025 SD-11, Public Power Business Model

1. Background

Strategic Direction [11](#), Public Power Business Model states that:

Supporting and strengthening the public power business model is a core value. Local decision making and flexibility are essential to effective and responsible local governance. Community-owned utilities are primarily accountable to their customers, not stockholders. Community citizens have a direct voice in public power decisions.

Preservation of this business model is vital to ensure public power systems continue to provide innovative solutions tailored to best meet the needs of their customers and communities.

2. Executive Summary

SMUD is in compliance with SD-11.

The SD-11 monitoring report updates the Board on our efforts to insulate SMUD from issues that may impact our local governance and provide the Board with a final status report on 2025 issues impacting this strategic directive. SMUD's interests are advanced in the legislative and regulatory arenas to the greatest extent possible. For instance, SMUD meets with key federal and state officials, both elected and appointed, with the driving purpose of educating them on the impact of new and existing policy.

State Legislative. SMUD had several victories this year in the California Legislature that advanced the public power business model to ensure local decision making and flexibility. SMUD sponsored legislation critical to the advancement of carbon capture and storage technology by establishing state regulations for the safe transportation of carbon dioxide by pipeline [Assembly Bill (AB) 881, with the ultimate bill vehicle being Senate Bill (SB) 614]. We also supported the reauthorization of the Cap-and-Trade program (AB 1207), as well as legislation related to the West-Wide Governance Pathways Initiative for regional markets (Pathways Initiative), seeking to reform the California Independent System Operator Corporation (CAISO) functions and duties, and allowing for participation by electrical corporations (including investor-owned utilities) in a Regional Organization (AB 825). SMUD also opposed legislation to require individual load shifting targets with inappropriate effectiveness metrics to be developed by the California Energy Commission (CEC) (SB 541), which was ultimately vetoed by the Governor.

State Regulatory. SMUD secured unanimous approval of its Load Management Standard (LMS) compliance plan from the CEC at the August 13, 2025, CEC business meeting. SMUD's plan finds that, at this time, incorporating dynamic pricing into its rates and programs would neither be cost-effective nor a prudent investment for its customers, but SMUD will continue evaluating dynamic pricing mechanisms and update its analysis in 2028.

At the California Air Resource Board (CARB), SMUD has advocated for additional flexibility in the Advanced Clean Fleets regulation – which requires public fleets to transition all medium- and heavy-duty vehicles to be zero emission – in response to changed market conditions and implementation challenges. While the rulemaking remains ongoing, CARB is proposing additional flexibility measures, such as delaying the requirement for all vehicle purchases to be zero-emission until 2030.

SMUD additionally engaged extensively with the State Water Resources Control Board (SWRCB) on

the development of a statewide utility wildfire general order that focuses only on activities that pose a risk to water quality and does not sweep in unrelated routine maintenance activities. In response to advocacy from SMUD and other impacted utilities, SWRCB delayed its anticipated adoption of the order, and SMUD continues to meet with staff and Board members to explore alternatives.

Finally, SMUD engaged in numerous other proceedings before state agencies to advance the public power business model and SMUD's strategic objectives, protect jurisdictional limits, and monitor potential changes to industry standards.

Federal. In October 2025, the U.S. Department of Energy (DOE) terminated SMUD's \$50 million Grid Resilience and Innovation Partnership (GRIP) grant for the Connected Clean PowerCity (CCPC) project, effective October 10, 2025. SMUD is actively working to recover eligible grant reimbursements through that termination date (approximately \$32.9 million) and has submitted all required documentation to support those claims. On November 4, SMUD initiated informal dispute resolution proceedings with DOE, seeking full reinstatement of the grant. Depending on the DOE's final determination, SMUD is evaluating next steps, including a potential appeal to the Senior Procurement Executive and, if necessary, pursuing litigation through the U.S. Court of Federal Claims to protect SMUD's financial and contractual interests.

On the legislative front, SMUD collaborated with national coalitions and partners to protect key clean energy tax incentives during federal budget reconciliation negotiations, which was enacted into law, the One Big Beautiful Bill Act (OB3), on July 4, 2025. While OB3 accelerates the phase out of certain renewable energy credits to offset tax cuts, SMUD and other advocates successfully preserved key provisions for tax-exempt municipal bonds and elective payment of clean energy tax credits. Credits for carbon capture, geothermal, and standalone energy storage were also retained. Beyond the Budget Reconciliation measure, SMUD continues to monitor federal discussions on permitting reform, including proposals that could accelerate environmental reviews and limit legal challenges for federally reviewed projects.

SMUD also tracked legislation to reauthorize the Cybersecurity and Information Sharing Act, which expired on September 30 and supported the "Fix Our Forests Act," led in part by Sen. Alex Padilla, which promotes forest management and wildfire prevention efforts. In regulatory matters, SMUD engaged in discussions on implementing new OB3 tax credit rules and followed EPA actions regarding greenhouse gas regulation. SMUD also maintained engagement with the Federal Energy Regulatory Commission (FERC), monitoring developments around integrating large energy loads such as data centers and evaluating potential implications for public power utilities under the Federal Power Act.

Community Choice Aggregators (CCA). AB 117 (2002) created Community Choice Aggregation and authorized local governments to aggregate customer electric load and become the default power provider in the service territory of an incumbent investor-owned utility (IOU). SMUD responded by offering to provide operational services to CCAs.

Today, SMUD offers 11 comprehensive services to CCAs: contact center, billing, debt collections, customer relationship management systems, data management, market research, data analytics, custom reporting, customer programs, electrification concierge, and marketing services. SMUD supports nine CCAs: Valley Clean Energy (VCE), Ava Community Energy (formerly known as East Bay Community Energy), Silicon Valley Clean Energy (SVCE), Marin Clean Energy (MCE), Sonoma Clean Power (SCP), Central Coast Community Energy (3CE), Apple Valley Choice Energy,

Redwood Coast Energy Authority, and San Jose Clean Energy (SJCE). CCAs enable their customers to access many of the same public power benefits that SMUD and other publicly owned utilities (POUs) have provided millions of Californians. Our support of CCAs promotes public power. CCAs also have

aggressive carbon reduction goals similar to SMUD's. Our support of CCAs promotes carbon reduction regionally. SMUD is leveraging our decades of experience as a utility, staff expertise, and existing systems to provide skilled services to CCAs, generating new revenue and strengthening SMUD's ability to provide cost effective public power service to our customers. There are currently over 25 active CCAs in California, representing nearly half of the state, and additional ones emerging or investigating the feasibility of starting a new CCA. The potential for new CCA clients for SMUD is great.

California Independent System Operator Corporation (CAISO) Markets and Pathways Initiative SMUD continues to see significant benefits with its participation in the CAISO's Western Energy Imbalance Market (EIM) since joining in 2019 through the Balancing Authority of Northern California (BANC). SMUD and BANC, as well as other EIM participants, have supported the extension of the EIM real-time framework to the CAISO's day ahead market under the CAISO's Extended Day Ahead Market (EDAM) initiative. FERC approved the CAISO's EDAM tariff filing in 2024 and EDAM implementation activities have begun with EDAM launch planned for Spring of 2026. With FERC's 2025 approval of BANC's EDAM Implementation Agreement, SMUD plans to join EDAM with the other BANC participants beginning in Fall of 2027.

To support EDAM, and further development of a west-wide market, multiple state commissioners in the west, including California, issued a letter to the Western Interstate Energy Board in summer of 2023 calling for the creation of an independent entity that could serve as a means of delivering a market for western states. The Pathways Initiative was created, and a broad stakeholder committee proposed a multi- step process to create an independent governing body that would enable a path forward for a potential west-wide fully organized market (a Regional Transmission Organization, or RTO). An independent governing body is seen by many entities outside of California as critical to participating in EDAM and other future markets. Earlier in 2024, as the first step, the CAISO approved elevating the EIM/EDAM Governing Body joint authority with the CAISO Board to primary authority over EIM/EDAM market matters. The second step is creation of a non-profit entity and transfer of governance authority over EIM/EDAM markets from the CAISO to this new "Regional Organization." With the passage of AB 825 this year, which amends existing California law applicable to the CAISO market governance, this second step to establish a Regional Organization is underway. Step 3 is potential continued future expansion of regionalized functions and services offered by the Regional Organization. SMUD views EDAM, and the Pathways Initiative, as important steps forward in the evolution of Western energy markets and it aligns well with SMUD's 2030 Zero Carbon Plan goals.

As SMUD's Strategic Plan indicates, internal and external factors are driving our business and shaping our business model. Legislative and regulatory uncertainty continues to be a threat to the Public Power Business Model (SD-11). SMUD takes positions on legislation and regulations based on the Board's Strategic Direction.

3. Additional Supporting Information

Local decision making and flexibility are essential to effective and responsible local governance. We continued to guard local decision-making and flexibility as we pursued innovative solutions that met the needs of our customers and our community. High priority 2025 issues were as follows:

- Meetings with state legislators to highlight SMUD's legislative priorities to advance the public power business model.
- Sponsoring legislation to allow the movement of carbon dioxide via pipeline.
- Securing amendments or opposing bills to remove applicability of onerous requirements to, or costly requirements for, SMUD (e.g., SB 541, AB 810, SB 593).
- Grants capture initiatives to support SMUD's 2030 Zero Carbon Plan, including the GRIP II

grant, the Recompete grant, and Matsui earmark.

- Advocating for support of our priorities in the federal appropriations process, which determines the level of funding available for high-priority grant programs authorized in the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA).
- Defending against proposals to reverse the direct pay provisions enacted in the IRA.
- Meetings with key CEC and CARB policymakers on activities and needs related to SMUD's 2030 Zero Carbon Plan, including transportation electrification, building electrification, and load flexibility, to advance the public power business model.
- Continued outreach to the CEC regarding SMUD's compliance approach to the Load Management Standards regulation.
- Advocating for greater compliance flexibility within the Advanced Clean Fleets regulation.
- Advocating for a balanced regulatory approach regarding the SWRCB's Draft Utility Wildfire General Order.

4. Challenges:

SMUD continues to face prescriptive legislative and regulatory mandates for carbon reduction, renewable energy, resource planning, operational practices, building and vehicle electrification, and load flexibility, in part because of the State's robust climate change goals and their potential interplay with pending federal regulations. With SMUD customers still struggling as energy costs continue to rise, it is particularly important to defend against mandates and protect flexibility in order to limit increased costs for SMUD.

Changes to Cap-and-Invest (formerly, Cap-and-Trade) are on the horizon. CARB is picking up its pre-rulemaking activities in late 2025 after pausing them during the program's legislative reauthorization. In addition to developing new program budgets and requirements for the 2030-2045 period, CARB staff has long signaled a need to reduce allowance allocations before 2030 and the potential for more prescriptive requirements regarding the disposition of allowance value – both of which could significantly impact SMUD.

While state policy is increasingly recognizing the importance of a diverse set of resources to reliably and affordably achieve electric sector decarbonization goals, uncertainty remains regarding the definition of "zero-carbon resources," particularly emerging technologies, for purposes of the state's long-term goals. This uncertainty and potential lag time in updating state policy and regulations may pose some challenges for SMUD, as a POU that is making early investments in emerging technologies to support decarbonization goals that are faster than those of the state. The CEC is expected to hold a workshop in late 2025 on modeling results for the 2025 SB 100 Joint Agency Report, which is evaluating the tradeoffs of various scenarios – including one with no combustion of biogas, carbon capture, or hydrogen. CARB commenced activities in 2025 on the implementation of the carbon capture and sequestration program required by Senate Bill 905, but significant additional work will be needed within this proceeding and other regulations – like Cap-and-Invest and the Mandatory Reporting Regulation – to fully account for the emissions reductions benefits from resources like CCS. SMUD will continue to advocate for policies that recognize the renewable and zero-carbon resources needed to decarbonize our grid.

SMUD will continue to advocate for the advancement of policies that encourage beneficial transportation and building electrification, along with consideration of utility needs for accelerating the enabling infrastructure, and load flexibility. Transportation electrification has been a priority for the Newsom Administration, but affordability concerns, federal challenges to California's authority, and technological readiness in the heavier vehicle space are posing headwinds. In 2025, the Legislature enacted a moratorium that prevents updates to new building energy codes for residential construction,

and CARB has gone back to the drawing board on its rulemaking timeline and regulatory concepts for a zero-emission space and water heating standard. Load flexibility has the potential to deliver significant savings for SMUD and its customers, but overly prescriptive approaches that do not adequately consider customer experience or specific utilities' needs can erode that potential.

Additionally, SMUD continues to monitor California Public Utilities Commission (CPUC) proceedings that may attempt to assert jurisdiction over POU's (e.g., pole and conduits database, demand flexibility through dynamic rates, discharge permitting for electric utility maintenance tasks, resiliency activities, and General Orders).

5. Recommendation

It is recommended that the Board accept the Monitoring Report for SD-11.

Appendices

State Legislation that Impacted SD-11

AB 881/SB 614 – Carbon Pipeline

This year, SMUD sponsored a bill, AB 881, critical to the advancement of carbon capture and storage technology by establishing state regulations for the safe transportation of carbon dioxide by pipeline. A companion bill in the Senate, SB 614, had the same objective.

Status: SB 614 signed by Governor

SMUD Position: Sponsor

Staff Comment: To facilitate the development of carbon capture, utilization, and storage (CCUS), the California Legislature passed SB 905 (Caballero) in 2022. SB 905 included a provision prohibiting the transport of carbon dioxide via pipeline until the federal government updated existing safety standards. We now know it could take years to pass a federal pipeline standard, if at all. This would not only put the technology at risk but is jeopardizing hundreds of millions in federal funding for our project.

AB 881 will ensure that carbon capture and storage projects can proceed in a manner that is protective of public health and safety while also preserving existing jobs and creating new jobs. This technology will help advance not only SMUD's zero carbon goals, but the state's climate goals, as well. AB 881 had a companion bill in the Senate, SB 614, with language that mirrored the language in AB 881. Ultimately, SB 614 became the vehicle that passed and was signed into law by the Governor. This is an incredible victory for our project with the Sutter Energy Center.

SB 540/AB 825: Pathways Initiative

One of the highest priority bills for SMUD at the Legislature this year was a bill related to the West-Wide Governance Pathways Initiative for regional markets, seeking to reform the California Independent System Operator (CAISO) functions and duties and allowing for participation by electrical corporations (including investor-owned utilities) in a Regional Organization.

Status: AB 825 signed by Governor

SMUD Position: Support

Staff Comment: SMUD strongly supported SB 540, the original bill vehicle, as it was introduced, jointly with the California Municipal Utilities Association (CMUA), Northern California Power Agency (NCPA), and Balancing Authority of Northern California (BANC). SMUD believes the Extended Day-Ahead Market (EDAM) and the Pathways Initiative are important steps forward in the evolution of Western energy markets. EDAM enables improved intermittent resource integration by allowing participants to decommit less efficient resources in the day ahead timeframe, as opposed to only in the shorter real time window. The Pathways Initiative is critical for both reliability and affordability.

Unfortunately, soon after the bill was introduced, “poison pill” amendments were inserted into the bill in both the Senate Judiciary and Senate Appropriations Committees. These amendments would have given elected officials from California, in the form of an oversight council, the ability to unilaterally pull California utilities from this new market without a deliberative process. This oversight council language was deemed a non-starter by other Western states that would also look to participate in this Western market. These amendments forced us, along with almost every other energy stakeholder, to change position from support to oppose, although our position was nuanced. We opposed the bill in print, but we strongly supported passing a workable Pathways Initiative. We worked closely with other energy stakeholders to urge the Assembly and Senate leadership to agree to remove the amendments. We also worked closely with our delegation members, especially Senators Ashby and Cabaldon in the Senate, who were extremely helpful and supportive of SMUD’s position.

During the summer recess, the Governor’s office publicly supported our position of passing a “workable” SB 540 — meaning passing the bill without those poison pill amendments. As with many of the big bills this session, negotiations on the fate of SB 540 came down to the last minute. During overnight negotiations, the Senate agreed to remove the amendments and shift the bill language into a new vehicle, AB 825 by Assemblymember Petrie-Norris. Ultimately, AB 825 was very similar to the initial language in SB 540 and was broadly embraced by SMUD and other energy stakeholders.

SB 254/AB 825 – Energy Affordability

The original versions of SB 254 and AB 825 were broad energy affordability measures, seeking to find a way for the state to help build, own, operate, and finance new transmission lines, among other things. Both bills were narrowed after the summer recess. Once AB 825 became the legislative vehicle for the Pathways Initiative (see above), SB 254 became the primary “energy affordability” bill.

Status: Signed by the Governor

SMUD Position: Watch

Staff Comment: SB 254 makes various changes related to investor-owned utilities (IOUs) and authorizes the state to do public financing and have ownership of electric transmission infrastructure. Important for us, the final version of SB 254 allowed for new flexibility on when POUs are required to submit their wildfire mitigation plans and required the California Earthquake Authority (which administers the IOU wildfire fund) to conduct a study of the current wildfire liability system for electric utilities and provide recommendations on potential changes to the system. One problematic provision in AB 825, which would have required a task force to review all utility demand side programs, was thankfully not included in SB 254.

AB 1207 – Cap-and-Trade Reauthorization

AB 1207 reauthorizes Cap-and-Trade (renamed to Cap-and-Invest) until 2045. Fortunately, the bill

doesn't make any changes to the POU allocation amount or the "POU option" which allows us to use our allowances for compliance with the program. The bill does provide the California Air Resources Board (CARB) with the ability ("where appropriate") to transition "support" for gas corporations to electric utilities (including SMUD); electric utilities, in turn, would use that additional value to provide a credit to ratepayers. We'll see through the regulatory process how the potential transfer of allowances (or allowance value) from gas corporations to electric utilities will occur.

Status: Signed by the Governor

SMUD Position: Support

Staff Comment: At the beginning of the year, there was much speculation that the Legislature would attempt to reauthorize Cap-and-Trade. In anticipation of this, SMUD staff held a series of meetings with our legislative delegation and other relevant legislators to share our priorities for a Cap-and-Trade reauthorization – namely, retaining POU allowances as well as the "POU option." We had another round of meetings in late Spring to reiterate the importance of this program and the impacts POU customers would face should the allowance allocation amount be reduced or eliminated.

The two houses struggled to reach a deal, and it looked like Cap-and-Trade reauthorization was not going to happen this year. However, at the end of session, there was a flurry of last-minute negotiations among the Assembly, Senate, and Governor's office to reauthorize the Cap-and-Trade (now Cap-and-Invest) program until 2045. SMUD and other POUs supported the deal, as included in AB 1207, as it retained the POU option and did not make any proposals to reduce our allocation amount.

Overall, POUs fared well in the final legislation; however, some additional work needs to be done to implement the program, as CARB is now tasked with developing regulations to implement the newly reauthorized Cap-and-Invest program.

SB 840 – Greenhouse Gas Reduction Fund Spending Plan

As part of the Cap-and-Invest extension negotiation, a key sticking point for many legislators was how the Cap-and-Invest auction revenues (through the Greenhouse Gas Reduction Fund, or GGRF) would be spent. Up until now, there have been a handful of "continuous appropriations" that automatically allocate approximate 60% of the fund to High-Speed Rail (HSR), transit capital projects, affordable housing near transit, and clean drinking water. This bill creates a new "waterfall" arrangement where a defined amount is still given to HSR and several other priorities off the top, but a \$1 billion check is also given off the top for the Legislature to spend as desired each year. Following those, percentages of the remaining funding are then allocated to priorities such as affordable housing near transit, community air quality, and healthy forests and fire protection.

Status: Signed by the Governor

SMUD Position: Supported the overall Cap-and-Invest bill package

Staff Comment: From the beginning of the session, it was clear that there were some members and stakeholders who cared primarily about how the GGRF was spent, while there were others, like SMUD, who were focused primarily on the program mechanics and protecting allowance allocations. SMUD remained focused on the programmatic issues, which proved successful. SMUD also believes that we will be well positioned to advocate for funding in the annual budget discussions, as we have done historically.

SB 541 – Load Management Targets

SB 541 required the CEC to allocate load-shifting targets to retail electricity suppliers, like SMUD, and standardize measurement methods and determine the value of demand reduction by time and location.

Status: Vetoed by Governor

SMUD Position: Oppose

Staff Comment: SMUD opposed this bill due to the over-reach on our programs and rates. SMUD knows our resource needs, programs, and customers much better than the CEC. SMUD strongly pushed back against this bill and worked closely with CMUA to oppose it. We requested a veto from the Governor, and he ultimately vetoed the legislation.

SB 707 – Brown Act

SB 707 places numerous additional requirements on local agencies including special districts, especially a few dozen of the largest special districts in the state, like SMUD, in addition to making numerous substantive and procedural changes. New requirements would include the translation of agendas, the facilitation of outreach to and inclusion of underrepresented groups, and the expansion of agenda posting requirements. The bill also incorporates other provisions from other Brown Act bills, including those related to subsidiary bodies and multijurisdictional bodies.

Status: Signed by Governor

SMUD Position: Watch

Staff Comment: SMUD worked through our trade association, the California Special Districts Association, on this bill, initially in an oppose unless amended position and ultimately moving to neutral with language that limited the bill's applicability to only larger special districts.

SB 858 – Local Government Omnibus

Current law, under the Municipal Utility District Act (MUD Act), allows the board of directors of a MUD to fill a vacancy on the board through appointment under specified circumstances until the next district general election that is scheduled 90 or more days after the effective date of the vacancy. SB 858 provides that a person appointed to fill a vacancy holds office until the person elected has been qualified and takes office.

Status: Signed by Governor

SMUD Position: Watch

Staff Comment: East Bay MUD was able to resolve a discrepancy that exists in the MUD Act through this legislation. Absent this legislation, there is a gap between when the appointed person's term ends and the elected person's term begins. In other words, since the person appointed to fill a vacancy only serves until the date of the election, but the person that wins the seat in the election does not take office until the election is certified, there is a gap in representation.

SB 283 – Battery Storage Facilities

SB 283 sets minimum safety standards and zoning requirements for all new battery storage facilities.

Status: Signed by Governor

SMUD Position: Watch

Staff Comment: In response to a January fire at a battery storage facility in Moss Landing, both Assemblymember Dawn Addis and Senator John Laird introduced legislation related to battery storage facilities. AB 303 was an attempt to ban the permitting of any battery storage systems. Senator Laird's SB 283 was a more moderate approach and was the more viable proposal on the topic. SMUD will have to follow safety protocols for any battery storage facilities.

AB 810 – Domain Names

AB 810 adds special districts, joint powers authorities (JPAs), and other political subdivisions to the list of local agencies required to use “.gov” or “.ca.gov” domain names for internet websites and email addresses accessible to the public.

Status: Two-year bill

SMUD Position: SMUD worked through CSDA in opposition to this bill.

Staff Comment: The impact would have been widespread, costly, and potentially have impacts to our cybersecurity efforts. CSDA successfully advocated to get special districts removed from the bill, but we anticipate a similar effort to resurface.

SB 237 – Gas Affordability/LCFS

SB 237 contains provisions to safely increase in-state oil production, while seeking to mitigate rising fuel costs. Importantly for SMUD, a prior version of the bill would have required CARB to amend the Low Carbon Fuel Standard program to reduce the maximum allowable credit price to be the average statewide credit price in effect on January 1, 2025, and would prohibit that amount from increasing annually more than the consumer price index.

Status: Signed by the Governor

SMUD Position: Watch

Staff Comment: SMUD joined a very large coalition of stakeholders who quickly acted to express the importance of the Low Carbon Fuel Standard program for our state's clean energy future. Ultimately, the LCFS provision was removed from the bill.

SB 445 – Transit Projects

While SB 445 remained a spot bill through the first house, Senator Wiener ultimately amended the bill in a manner that would have allowed third-party entities, such as transit agencies, to move utility infrastructure if the utility did not respond to them within a certain amount of time. This had numerous safety, reliability and affordability issues. The bill got immediate pushback from several stakeholders, including POUs, and after multiple rounds of amendments, was finally narrowed to focus specifically on

projects located in the High Speed Rail project right-of-way, before becoming a two-year bill.

Status: Two-year bill

SMUD Position: Watch; worked through CMUA

Staff Comment: While significantly narrowed, the bill set a dangerous precedent in interfering with our ability to manage our assets. SMUD anticipates this bill will return next year.

State Regulation that Impacted SD-11

Load Management Standard (LMS) Regulation

Amendments adopted in 2023 to the Load Management Standard (LMS) regulations require large California utilities, like SMUD, to develop marginal cost-based rates that change at least hourly for each customer class that is determined to materially reduce peak load, among other requirements. These amendments are intended to form the foundation of a statewide system utilizing automation to provide real-time demand flexibility on the grid. During the rulemaking process, SMUD advocated for an alternative compliance pathway that recognizes the role of utility programs and enables POU governing boards to weigh in early, via a compliance plan, on the cost-effectiveness of dynamic pricing and whether to propose it in rates or programs based on certain factors.

SMUD adopted its LMS Compliance Plan and submitted it for CEC approval in November 2023. Thereafter, CEC staff indicated that they did not believe that SMUD's Compliance Plan met the requirements of the LMS regulations, and the CEC's Executive Director issued a Deficiency Notice (Notice) that required SMUD to incorporate rates or programs with dynamic price signals or update the analysis provided in the Compliance Plan. While SMUD maintains that its original plan satisfied the regulatory requirements, SMUD revised and strengthened its analysis in response to the CEC feedback. SMUD's revised compliance plan was submitted to the CEC in December 2024. SMUD's plan finds that, at this time, incorporating dynamic pricing into its rates and programs would neither be cost-effective nor a prudent investment for its customers. However, SMUD plans to continue to evaluate dynamic pricing mechanisms.

Status: In August 2025, the CEC unanimously approved SMUD's LMS compliance plan. As part of the approval, SMUD will provide an updated evaluation of dynamic pricing during the triennial review of its compliance plan.

Advanced Clean Fleets

CARB unanimously adopted the Advanced Clean Fleets (ACF) regulation in April 2023. As originally adopted, the regulation required three market segments – large commercial fleets, public fleets, and drayage trucks – to transition their medium- and heavy-duty vehicles to zero-emission through either an annual purchase requirement or an optional fleet average requirement. The regulation includes multiple, but very narrow, exemptions from these requirements. For large commercial fleets and drayage trucks, CARB had sought a preemption waiver from the US EPA to enforce the rule, and CARB withdrew its waiver request in December 2024. CARB is now proposing to repeal those portions of the rule, an action which also provides a path to settle litigation. The rule remains effective for public fleets, like SMUD.

CARB initiated a rulemaking in August 2025 to repeal the privately owned and drayage fleet provisions and to narrowly incorporate statutory changes to public fleets' "daily usage" exemption. Leading up to and during the formal rulemaking process, SMUD and public power partners have advocated to

broaden the rulemaking to provide greater flexibility to public fleets in response to changing market conditions and implementation challenges. At the September 2025 CARB Board hearing, CARB staff proposed several additional flexibility measures – including delaying the 100 percent ZEV purchase requirement until 2030 and removing some exemption access barriers, particularly for the mutual aid exemption – which the Board directed staff to implement. While Board members were reluctant to direct broader changes given this rulemaking’s timeline and the desire to send a market signal, the Board directed staff to return with an update and opportunity for Board guidance on future changes, and several Board members expressed concern about affordability.

Status: CARB is working to develop 15-day changes to release for public comment in late 2025 or early 2026. The final rulemaking package must be submitted to the Office of Administrative Law no later than August 31, 2026.

Draft Utility Wildfire General Order

In June 2024, the State Water Resources Control Board (SWRCB) issued the *Draft Utility Wildfire and Similar Operations and Maintenance Activities Clean Water Act Section 401 Water Quality Certification and Waste Discharge Requirements General Order and Associated CEQA EIR* (Utility GO). The Utility GO covers eleven “project activities”, regardless of whether the activity is performed for wildfire mitigation, and the covered activities include regular maintenance activities like pole replacements, vegetation management, among others. Utilities performing these “project activities” within specific distances from “waters of the state” (WOTS) or in areas with specific slope and soil characteristics would be required to comply with the Utility GO requirements. SMUD staff have estimated at least 1,500 covered projects annually – chiefly vegetation management and pole replacements – many of which are unlikely to impact water quality, but the requirements could add significant costs and delays to SMUD’s work.

SMUD and an informal joint utility group have advocated for changes that would refocus the scope of the Utility GO on activities that pose a tangible risk to water quality and ensure that any project conditions or reporting requirements balance the need for oversight with operational needs. In April 2025, SMUD submitted comments detailing the impact of the Utility GO and providing specific recommendations. Throughout the summer and fall, SMUD has continued to meet with SWRCB staff and coordinate with partner utilities.

Status: SWRCB staff is working on potential revisions to the Utility GO and expects to present a final order to its board for approval in early 2026.

Carbon Capture and Sequestration Program Implementation

Senate Bill (SB) 905 (2022) requires CARB to establish a carbon capture, removal, utilization, and storage program; adopt protocols to support additional CCS and carbon dioxide removal approaches; adopt financial risk management and monitoring requirements for project operators; develop a voluntary unified permit application; and establish a public database and public reporting requirements. Importantly for SMUD, the protocols that CARB develops are expected to be the basis for recognizing emissions reductions from CCS in the Mandatory Reporting Regulation, Cap-and-Invest, and Power Source Disclosure regulations, among others.

Implementation of SB 905 has been delayed, in part due to staffing limitations at CARB. At a February 2025 overview workshop, SMUD presented the opportunities that CCS provides for its portfolio and highlighted the need for regulatory certainty across state programs and policies. In August 2025, CARB issued an information solicitation with detailed questions on program implementation. SMUD filed comments recommending that CARB prioritize developing protocols, project requirements, and

program integration for CCS applications that are commercially ready and have planned in-state deployments, like CCS retrofits of natural gas power plants.

Status: CARB is reviewing stakeholder feedback on program implementation.

Corporate Greenhouse Gas Reporting and Climate Related Financial Risk Disclosure

CARB is currently developing two corporate disclosure programs authorized by the Legislature in 2023: the California Corporate Greenhouse Gas (GHG) Reporting program (SB 253) and the Climate Related Financial Risk Disclosure program (SB 261). The GHG reporting program requires “business entities” that do business in California and have annual revenues exceeding \$1 billion to annually disclose their scope 1, 2, and 3 emissions. Business entities with annual revenues of \$500M are required to report climate-related financial risk reports every two years.

In December 2024, CARB indicated it was considering broadly interpreting “business entities” to include governmental entities. SMUD worked with its trade association to clarify this definition, and in August 2025, CARB agreed that governmental entities are not covered by these programs. While SMUD is not required to comply with these programs, information from SMUD may be needed to enable reporting for its customers that are subject to scope 1, 2, and 3 emissions disclosure requirements.

Status: CARB anticipates presenting a formal rulemaking package to its Board in early 2026.

Power Source Disclosure Amendments

SB 1158 (Becker) tasked the CEC with implementing new hourly GHG reporting requirements for retail suppliers of electricity, including SMUD. Under the new law, starting on January 1, 2028, retail suppliers will be required to report (1) sources of electricity used to serve hourly loss-adjusted retail load, (2) GHG emissions associated with each source, (3) annual total and average GHG emissions intensity, (4) annual avoided GHG emissions.

In 2024, CEC initiated a formal rulemaking to implement the requirements of SB 1158 and to update requirements for the annual Power Source Disclosure program and Power Content Label. SMUD engaged throughout the informal and formal rulemaking processes, both individually and through its trade association. In February 2025, CEC adopted proposed amendments that included many of the changes requested by SMUD, including a new category on the Power Content Label for emerging technologies, which could include technologies like CCS and green hydrogen.

Status: The Office of Administrative Law approved the CEC’s regulations in June 2025.

Delta Water and Hydro Impacts

Two substantial Delta planning processes could potentially affect energy available for SMUD’s purchase from the Central Valley Project (CVP) and flows within the Upper American River Project (UARP) watershed: the Bay–Delta Water Quality Control Plan (Bay–Delta Plan), and the Delta Tunnel Project (successor to the Delta Conveyance Project, California WaterFix Project, which was in turn successor to the Bay Delta Conservation Plan).

Phase 2 of the Bay–Delta Plan is ongoing and could potentially affect SMUD by increasing the volume of water required for outflow into the Bay (Phase 3 would, if carried out, implement Phase 2 through modifications to water rights). A substantial change in Delta outflow and tributary flow requirements could, among other things, have a major impact on the timing of hydroelectric energy generation and even reduce generation overall in some year type scenarios. The State Water Resources Control Board (SWRCB) staff released a draft of one of the Phase 2 documents identifying an environmental need for

significantly more outflows (in short, 35 to 75% of all water is allegedly needed for outflow with staff recommending 45 to 65%).

Governor Newsom requested the SWRCB explore negotiation of voluntary agreements with water purveyors in lieu of imposing a strict plan. Work on the voluntary agreements process has been picking up speed and is now known as the Healthy Rivers and Landscapes Program. If adopted by its numerous sponsors and the SWRCB, the program would initiate aquatic habitat restoration and release of flows to support a healthier Delta ecosystem,

Approved in December 2023, the Delta Tunnel Project would involve the Department of Water Resources (DWR) building one new intake and a tunnel to complement the historical diversion of water through the Delta channels for the State Water Project (SWP). It had been expected the Project would involve the CVP as well, though that does not appear to be the case and the U.S. Bureau of Reclamation has not been participating, suggesting no CVP power would be used for the project. This is important because if provided by the CVP, power for the estimated 10-year construction effort and long-term operations would come out of supplies otherwise sold to public power contractors, the single largest share of which goes to SMUD under an existing long-term contract (which will be succeeded by a new contract). Using the tunnels would be part of an effort to maintain or even increase Delta watershed exports to Southern and Central California. Proponents have claimed the project would help reduce the historical impacts of the South of Delta pumps on special status fish species, though modeling by Northern California interests of the prior project suggests the reduced impacts have not been proven and in fact the opposite could be true.

In the meantime, the Delta Tunnel Project faces numerous legal challenges.

- (1) Numerous entities are in a legal battle over the project's compliance with the California Environmental Quality Act (CEQA). Most recently, on October 17, 2025, the Third District Court of Appeal lifted the trial court's preliminary injunction against DWR, allowing DWR to conduct preliminary geotechnical work for the project.
- (2) In January 2024, in another lawsuit the Court held that DWR lacked the authority to fund the project using revenue bonds. This ruling is on appeal. In the meantime, the project is using a mix of public and private funding.
- (3) DWR still needs to modify its water rights with the State Water Resources Control Board, which is typically a lengthy, contentious process that would predictably trigger another lawsuit.
- (4) Solano County (and possibly others) plan to file a lawsuit challenging the determination that the project is consistent with the Delta Plan.

Another setback is that this fall, Governor Newsom's proposal to have the Legislature streamline permitting for the project failed.

Staff Comment: SMUD is working closely with a coalition of water interests to evaluate the impacts of the Bay-Delta Plan and the Delta Tunnel Project to understand the implications for power generation and SMUD's water rights and hopefully to agree upon a voluntary agreement process as a substitute for a regulated process. SMUD is also working with DWR on how to serve the Project with power.

Federal Legislation that Impacted SD-11

H.R. 4776 (Westerman): The "Standardizing Permitting and Expediting Economic Development Act" (SPEED Act)

The SPEED Act would narrow the definition of "major federal action," to expand categorical exclusions to reduce the need for duplicative analyses for projects, limit litigation only to parties that participate in public comment opportunities, and impose strict timelines on legal challenges for projects requiring

federal review. The bill has a Democratic primary cosponsor, but during a Natural Resources Committee hearing received significant criticism from Democratic Committee members. The SPEED Act has been endorsed by APPA. SMUD Federal Affairs will continue to monitor this legislation.

Tax Policy

As a municipal utility, SMUD relies on municipal bonds and utilizes all available financing mechanisms to decrease the financing costs of infrastructure investments and projects. Therefore, SMUD has continued to advocate for maintaining the longstanding tax exemption for municipal bond interest as well as preserving the ability of municipal utilities to access elective payment of energy tax credits as authorized under the Inflation Reduction Act (IRA).

The 2017 Tax Cuts and Jobs Act (TCJA) preserved the general exemption for municipal bonds, but removed it for advance refunding bonds, which are used to effectively refinance an original bond. SMUD has worked individually and through coalitions to restore the exemption for advance refunding bonds. Bipartisan bills in both the House and Senate that would restore advanced refunding are expected to be proposed, however such legislation is unlikely to be passed as a stand-alone bill.

The 2022 IRA included a provision that allows tax-exempt entities to receive refundable elective payments of various energy tax credits, making them directly available to public power utilities for the first time. SMUD has worked individually and through coalitions like the American Public Power Association (APPA) and Large Public Power Council (LPPC) to preserve the energy incentives and the ability of municipal utilities to elect elective payment of various energy tax credits.

The Budget Reconciliation bill, the “One Big Beautiful Bill Act” (OB3), which was enacted in July 2025, dramatically accelerated the phase out of credits for wind and solar projects, but preserved the IRA provision that allows tax-exempt entities to receive elective payments of energy tax credits. The 45Q credit for carbon capture was maintained, as was the credit for non-intermittent clean power sources like geothermal and stand-alone energy storage. SMUD has worked individually and through coalitions like the American Public Power Association (APPA), Large Public Power Council (LPPC), and the Business Council for Sustainable Energy (BCSE) to preserve the ability of municipal utilities to elect elective payment of various energy tax credits and maintain the tax exemption for municipal bonds. The ability to restore advance refunding was not considered as part of OB3. Most recently, the “American Energy Independence and Affordability Act” (H.R. 5862) was introduced to reinstate renewable energy tax credits that were rescinded in OB3. This legislation is not expected to advance in the current Congress.

H.R. 471 (Rep. Westerman)/Se.1462 (Sen. Curtis): the Fix Our Forests Act

In January, the House passed H.R. 471, the “Fix Our Forests Act,” with bipartisan support. The bill would expedite forest management activities on federal land, including several provisions to allow local governments and special districts to participate in assessing firehedges, provide a categorical exclusion for vegetation management in utility rights-of-way, and automatically approve utility vegetation management plans 120 days after submittal. A Senate version of the bill was introduced by Sen. John Curtis (R-UT), with Sen. Alex Padilla (D-CA)’s support as an original cosponsor. S. 1462 was advanced in the Senate Agriculture Committee by a broad bipartisan vote of 18-5, although some Democratic supporters indicated that a few provisions – including providing adequate funding for programs included in the bill – may need additional negotiation prior to consideration by the full Senate.

CISA Reauthorization

The Cybersecurity Information Sharing Act (CISA), which sets up policies and procedures for the voluntary sharing of cybersecurity threat information between and among the federal government and private entities (the definition of which includes public power utilities) and provides limited liability and

antitrust protection for these activities, expired on Sept. 30, 2025. Legislation to provide a clean reauthorization of CISA has been introduced in both the House, the “Widespread Information Management for the Welfare of Infrastructure and Government Act” (H.R. 5079) and Senate, the “Protecting America from Cyber Threats Act” (S. 2983). Most recently, a provision in the House Continuing Resolution (CR) to extend government funding, was included to provide a short-term extension of CISA. While reauthorization of CISA has bipartisan support, Senate Homeland Security Chairman Rand Paul (R-KY) is opposing a clean, long-term reauthorization. SMUD Federal Affairs will continue to monitor legislation and provisions in must-pass bills to reauthorize CISA.

Pole Attachments

Municipal utilities are exempt from federal regulation of pole attachments under Section 224 of the Federal Communications Act. However, the Federal Communications Commission (FCC) has taken steps in recent years that impact public power pole attachments. In September 2018 the FCC issued a declaratory order and ruling reinterpreting other sections of the law to impose fee limits and timelines on pole attachment applications. In March 2022, the FCC approved a Further Notice of Proposed Rulemaking (FNPRM) on the allocation of pole replacement costs and the resolution of pole attachment disputes. In Sept. 2025, the FCC adopted a Notice of Inquiry (NOI) on wireline infrastructure deployment and a Notice of Proposed Rulemaking (NRPM) on wireless infrastructure deployment, which will likely impact pole attachment agreements. SMUD has expressed concerns to its delegation about this federal intrusion, noting that it has developed pole attachment agreements with telecom carriers. Rep. Anna Eshoo (D- CA) introduced legislation in January 2019 to nullify the 2018 FCC order, and Senator Dianne Feinstein (D-CA) sponsored similar legislation in the Senate in June 2019. The bills have failed to gain bipartisan support or traction in either chamber, and they have not been reintroduced in subsequent congressional sessions.

Appropriations

As has been customary for many years, Congressional appropriators failed to pass yearly funding bills before the end of the fiscal year (Sept.30). Unlike most years, however, Democrats and Republicans were unable to reach a compromise on a Continuing Resolution (CR) to extend the previous year’s funding levels, resulting in a 43-day government shutdown. On November 10, the Senate voted 60-40 to approve a three-bill FY 2026 minibuss package (including Military Construction-Veterans Affairs, Agriculture and Legislative Branch appropriations) and extend funding for the remainder of the government through January 30, 2026. The House approved the Senate-passed funding deal on November 12, reopening the federal government. Appropriators are continuing negotiations for full-year funding for the remaining nine FY 2026 spending bills before the new CR deadline expires.

Spent Nuclear Fuel Removal

Unable to make progress on removing spent nuclear fuel to interim storage facilities, congressional attention has turned to reprocessing and decommissioning. The House Fiscal Year 26 Energy & Water Appropriations bill prohibits funds from being used to site a private interim storage facility, and the Senate has not yet released bill language. Meanwhile, Rep. Mike Lawler (R-NY) introduced a bill to provide additional oversight over how utilities use their decommissioning trust funds, the “Reactor Expenditure Accountability and Compliance Transparency Act.” Additionally, Rep. Mike Levin (D-CA) introduced legislation in 2024 to create a new government agency tasked with the disposition of used nuclear fuel, the “Nuclear Waste Administration Act.” This legislation is expected to be reintroduced, however it is not expected to advance in the current Congress.

Federal Regulatory Issues that Impacted SD-11

DOE/FERC Advance Notice of Proposed Rulemaking

On Oct. 23, Energy Secretary Chris Wright sent FERC an Advance Notice of Proposed Rulemaking (ANOPR) proposing to expand FERC authority to large loads interconnecting directly to the interstate transmission system. If adopted, the rule would give data centers a pathway to bypass local utilities and access the grid directly, regardless of whether there is sufficient local power to support its operations. The proposal would, however, prioritize faster hookups for “hybrid facilities” (co-location where the data center builds its own power resources) and flexibility (through demand response, curtailment, switching to a battery, or activating a virtual power plant). SMUD will continue to monitor this issue, including through the Large Public Power Council.

CAISO Markets and Pathways Initiative

SMUD has a direct interest in finding long-term solutions to the challenges posed by the integration of intermittent resources, such as wind and solar. One solution has been the development of an EIM operated by the CAISO, and another solution is the CAISO’s EDAM. In general, the EIM is a sub-hourly energy platform that automatically clears and dispatches the lowest cost electricity available to serve demand on a real-time basis, with EDAM providing similar functionality but with a day-ahead resource and scheduling commitment.

SMUD has successfully participated in the EIM, through BANC as the BA, since go-live on April 3, 2019, which has provided reliability, operational flexibility, and financial benefits. Given the success of EIM, which now covers a significant footprint in the west, the CAISO, with the support of SMUD, BANC, and other EIM participants, has developed an extension of the EIM real time framework to the CAISO’s day ahead market, referred to as the EDAM. Like EIM, EDAM would broaden the access to regional resources for the reliable integration of renewable generation and better optimization of resources, only over a longer (day ahead) time horizon, and participation is voluntary. After a few years of negotiations, discussions, and stakeholder meetings, the CAISO Board of Governors and Western Energy Imbalance Market Governing Body jointly approved the EDAM framework in February of 2023. On August 22, 2023, the CAISO filed an EDAM tariff amendment with FERC, to which SMUD filed supportive comments. FERC ultimately approved the proposal on June 11, 2024. The CAISO began EDAM implementation activities in 2024 with EDAM launch scheduled for Spring 2026 with PacifiCorp and Portland General Electric as the first participants. SMUD, along with the other BANC participants, plans to join EDAM beginning in Fall 2027, in addition to Los Angeles Department of Water & Power (LADWP), Turlock Irrigation District (TID), and Public Service Company of New Mexico (PNM). Other EIM entities have also informed the CAISO of their interest in joining EDAM in 2028. Like EIM, EDAM remains a voluntary market, allowing SMUD the added flexibility to time its participation and pivoting later, should better options arise in the future.

Some parties outside of California have stated that a day-ahead market decision, such as participation in EDAM and market services beyond EDAM, hinges on the potential for representative, independent governance. In response, multiple western state commissioners, including California, issued a letter to the Western Interstate Energy Board in summer of 2023 calling for the creation of an independent entity that could serve as a means of delivering a market for western states. The West-Wide Governance Pathways Initiative (Pathways Initiative) was created and a stakeholder committee was formed to develop a governance proposal. Following an inclusive and broad set of stakeholder meetings and comment periods throughout 2024, the committee proposed a multi-step process to create an independent governing body that would enable a path forward for a potential west-wide fully organized market (a Regional Transmission Organization, or RTO). Earlier in 2024, as the first step, the CAISO approved elevating the EIM/EDAM Governing Body joint authority with the CAISO Board to primary

authority over EIM/EDAM market matters, which took effect in 2025. The second step is creation of a non-profit entity and transfer of governance authority over EIM/EDAM markets from the CAISO to this new “Regional Organization.” The CAISO would retain authority over its other functions such as balancing authority responsibilities, resource adequacy, transmission planning, and reliability coordination. The market governance transition would occur after FERC approval of a CAISO tariff filing. With the passage of AB 825 this year in the California Legislature, step 2 is now underway. Step 3 is a longer-term process that envisions future expansion of regionalized functions and services offered by the Regional Organization.

SMUD believes EDAM and the Pathways Initiative are important steps forward in the evolution of Western energy markets. EDAM enables improved intermittent resource integration by allowing participants to decommit less efficient resources in the day ahead timeframe, as opposed to only in the shorter real time window. The Pathways Initiative is aimed at solving a critical independent governance gating issue for broader participation in EDAM and other future market offerings. As we have seen with EIM’s gradual expansion, which now covers 80% of the load in the west, broader and more diverse participation throughout the west unlocks more reliability, operational flexibility, and financial benefits through regional diversity. Thus, EDAM and the Pathways Initiative align well with SMUD’s 2030 Zero Carbon Plan goals.

Implementing OB3 Energy Tax Credits Provisions

The Department of the Treasury and Internal Revenue Service (IRS) have been jointly issuing guidance to implement changes to clean energy tax provisions in the One Big Beautiful Bill Act (OB3). In August 2025, Treasury and the IRS released guidance on “beginning of construction” rules for wind and solar projects claiming tax credits, pursuant to the July 7 Executive Order directing strict enforcement of the phaseout codified in OB3. The new guidance significantly restricts eligibility by eliminating the existing 5% safe harbor for wind and solar projects that begin construction after Sept. 2, 2025. SMUD is awaiting guidance on new foreign entities of concern (FEOC) restrictions on supply chains and infrastructure material imposed in OB3. Treasury and IRS are working to issue guidance on domestic content requirements, which preclude entities from accessing elective pay after 2025, making it a crucial element of the process. SMUD is awaiting final guidance on post-2025 domestic content requirements. These guidance documents can have significant and material impacts on the value of the credits, particularly with respect to the elective pay provisions that allow public power systems to directly avail themselves of the credits.

SSS No. ZCES 25-005

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date Policy – 12/10/25
Board Meeting Date December 11, 2025

TO				TO			
1.	James Frasher			6.	Suresh Kotha		
2.	Lora Anguay			7.			
3.	Scott Martin			8.			
4.	Farres Everly			9.	Legal		
5.	Brandy Bolden			10.	CEO & General Manager		
Consent Calendar <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>If no, schedule a dry run presentation.</i>				Budgeted <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(If no, explain in Cost/Budgeted section.)</i>			
FROM (IPR)		DEPARTMENT		MAIL STOP		EXT.	
Kristy McKeen		Grant Administration		A210		4844	
DATE SENT		11/14/25					

NARRATIVE:

Requested Action: Approve and ratify the submittal of SMUD’s grant application to the California Department of Fish and Wildlife (CDFW) for the Sport Fish Restoration Act Boating Access: Rancho Seco Lake Invasive Mussel Prevention Grant and authorize the Chief Executive Officer and General Manager, or his designee, to negotiate and execute in the name of Sacramento Municipal Utility District (SMUD) a grant recipient contract with CDFW as well as all grant documents, including, but not limited to, applications, amendments and requests for payment, necessary to facilitate grant participation.

Summary: SMUD submitted a grant application to CDFW for the Sport Fish Restoration Act Boating Access: Rancho Seco Lake Invasive Mussel Prevention Grant (State designation Q2596910 and Federal designation F25AF01215-00) on May 23, 2025, and was selected on August 5, 2025, to receive \$91,161.

The grant provides funding for the installation of a single boat-washing machine plus foundation to prevent the potential spread of Golden Mussels to Rancho Seco Lake. The grant recipient contract must be executed by January 29, 2027. Acceptance of funds via a SMUD Board Resolution is a requirement of the granting agency.

Board Policy: Strategic Direction SD-4, Reliability; Strategic Direction SD-7, Environmental Leadership
(Number & Title)

Benefits: The purpose of this project is to install a specialty boat washing machine at Rancho Seco Lake as a preventative measure to slow or halt progression of the invasive Golden Mussels. This species has proven to be uniquely damaging to water-based infrastructure and could impact SMUD facilities. The funds from this grant will be used to install crucial equipment to help stop the spread.

Cost/Budgeted: CDFW Grant funds are \$91,161; SMUD match cost share is not required.

Alternatives: Do not accept the grant and purchase materials with SMUD funding.

Affected Parties: Power Generation, Accounting and Grant Administration

Coordination: Accounting, Grant Administration, Power Generation, and Legal

Presenter: James Frasher, Director, Research & Development, Grants & Partnerships

Additional Links:

SUBJECT	California Department of Fish & Wildlife (CDFW) Invasive Mussel Prevention Grant Application Authorization and Acceptance	ITEM NO. (FOR LEGAL USE ONLY)
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SSS No. BOD 2025-017

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date

Policy – 12/10/25

Board Meeting Date

N/A

TO					TO				
1.	Farres Everly				6.				
2.	Suresh Kotha				7.				
3.	Brandy Bolden				8.				
4.					9.	Legal			
5.					10.	CEO & General Manager			

Consent Calendar		Yes	<input checked="" type="checkbox"/>	No <i>If no, schedule a dry run presentation.</i>	Budgeted	<input checked="" type="checkbox"/>	Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>
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FROM (IPR) Crystal Henderson	DEPARTMENT Board Office	MAIL STOP B304	EXT. 6155	DATE SENT 11/18/25
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NARRATIVE:

Requested Action:	Allow the Board members an opportunity to discuss committee memberships and chairs for 2026.
Summary:	This discussion will cover appointments for the four Board committees including chairs, vice chairs, and member as well as the SMUD-Sacramento Tree Foundation 2x2 representatives.
Board Policy: <i>(Number & Title)</i>	This discussion supports Governance Process GP-6, Role of the Board President, which states that the Board President shall appoint the chairs of standing committees.
Benefits:	This discussion will prepare the Board's committee structure and memberships for the upcoming year.
Cost/Budgeted:	Costs contained in budget for internal labor.
Alternatives:	Not select new chairs or members for the committees at this time.
Affected Parties:	Board of Directors
Coordination:	Special Assistant to the Board
Presenter:	Rob Kerth, 2026 Board Vice President

Additional Links:

SUBJECT	2026 Board Committee Membership	ITEM NO. <i>(FOR LEGAL USE ONLY)</i>
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SSS No.

BOD 2025-001

BOARD AGENDA ITEM
STAFFING SUMMARY SHEET

Committee Meeting & Date
POLICY - 2025
Board Meeting Date
N/A

TO					TO							
1.	Suresh Kotha				6.							
2.	Brandy Bolden				7.							
3.	Farres Everly				8.							
4.					9.	Legal						
5.					10.	CEO & General Manager						
Consent Calendar			Yes	X	No (If no, schedule a dry run presentation.)		Budgeted	X	Yes	No (If no, explain in Cost/Budgeted section.)		
FROM (IPR) Gregg Fishman / Crystal Henderson					DEPARTMENT Board Office					MAIL STOP B307	EXT. 5424	DATE SENT 12/20/24
NARRATIVE:												
<p>Requested Action: Enable the Board of Directors an opportunity to review the Board Work Plan.</p> <p>Summary: The Board President reviews the Board Work Plan to ensure agenda items support the work of the Board.</p> <p>Board Policy: This review of the Work Plan supports Governance Process GP-4, Board/Committee Work Plan and Agenda Planning, which states that the Board will develop each year a list of topics and issues that it wishes to explore in the coming years and maintain a work plan that will be regularly reviewed by the Board or a standing committee. Governance Process GP-6, Role of the Board President, states that the Board President shall ensure that the Board’s agendas meet the goals of the annual work plan.</p> <p>Benefits: Reviewing the Work Plan allows the Board members and Executive staff to make changes to the Work Plan and Parking Lot items as necessary.</p> <p>Cost/Budgeted: Included in the budget for internal labor.</p> <p>Alternatives: Not review the Work Plan at this time.</p> <p>Affected Parties: Board of Directors and Executive Office</p> <p>Coordination: Crystal Henderson, Special Assistant to the Board</p> <p>Presenter: Gregg Fishman, Board President</p>												

Additional Links:

SUBJECT	Board Work Plan	ITEM NO. (FOR LEGAL USE ONLY)
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SSS No.

BOD 2025-002

BOARD AGENDA ITEM
STAFFING SUMMARY SHEET

Committee Meeting & Date
POLICY - 2025
Board Meeting Date
N/A

TO					TO							
1.	Brandy Bolden				6.							
2.	Farres Everly				7.							
3.	Suresh Kotha				8.							
4.					9.	Legal						
5.					10.	CEO & General Manager						
Consent Calendar			Yes	X	No (If no, schedule a dry run presentation.)		Budgeted	X	Yes	No (If no, explain in Cost/Budgeted section.)		
FROM (IPR) Heidi Sanborn / Crystal Henderson					DEPARTMENT Board Office					MAIL STOP B307	EXT. 5424	DATE SENT 12/20/24

NARRATIVE:

Requested Action:

A summary of directives is provided to staff during the committee meeting.

Summary:

The Board requested an ongoing opportunity to do a wrap up period at the end of each committee meeting to summarize various Board member suggestions and requests that were made at the meeting to make clear the will of the Board. The Policy Committee Chair will summarize Board member requests that come out of the committee presentations for this meeting.

Board Policy:

Governance Process GP-4, Board/Committee Work Plan and Agenda Planning states the Board will focus on the results the Board wants the organization to achieve.

Benefits:

Having an agendized opportunity to summarize the Board’s requests and suggestions that arise during the committee meeting will help clarify the will of the Board.

Cost/Budgeted:

Included in budget for internal labor.

Alternatives:

Not to summarize the Board’s request at this meeting.

Affected Parties:

Board of Directors, Board Office and Executive Office

Coordination:

Crystal Henderson, Special Assistant to the Board

Presenter:

Heidi Sanborn, Policy Committee Chair

Additional Links:

SUBJECT
Summary of Committee Direction – Policy Committee

ITEM NO. (FOR LEGAL USE ONLY)

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.