

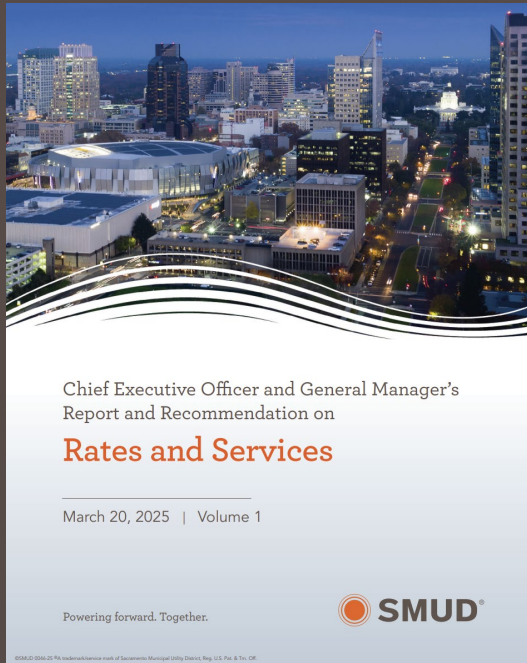
# Exhibit to Agenda Item #4

Discuss approval of June 4, 2025, as the **Public Hearing** date for considering the **Chief Executive Officer and General Manager's Report and Recommendation ("CEO & GM Report") on Rates and Services (Volumes 1 and 2)** dated March 20, 2025, and the **CEO & GM Report on Open Access Transmission Tariff (Volumes 1 and 2)** dated March 20, 2025.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting  
Tuesday, March 18, 2025, scheduled to begin at 6:00 p.m.

SMUD Headquarters Building, Auditorium

# Here's what's in the rate proposal



**3.0% rate increases** on Jan. 1, 2026 and Jan 1, 2027 for all customers.



**Optional residential rate** for low usage customer with electrical panels  $\leq 125$  Amps.



**Updates to Open Access Transmission Tariff** for third parties who wheel power through the transmission system.



**Miscellaneous tariff language updates** for clarification and consistency.

# Rate Increase Drivers



**Increasing commodity costs for reliability and to meet new state Renewable Portfolio Standards Requirements.**



**Capital spending to support world class reliability:**

- New generation and storage project costs to meet California clean energy compliance requirements
- Substation and line capacity projects to maintain a reliable grid
- New Folsom Administrative Operations Building to support reliability



**Wildfire prevention and the cost of inflation** to prevent and mitigate wildfires and address increased cost of material and services

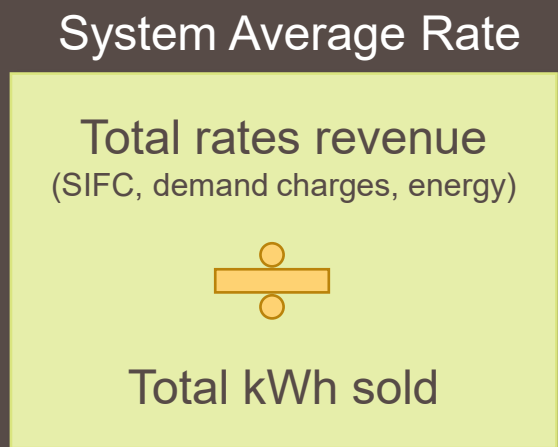
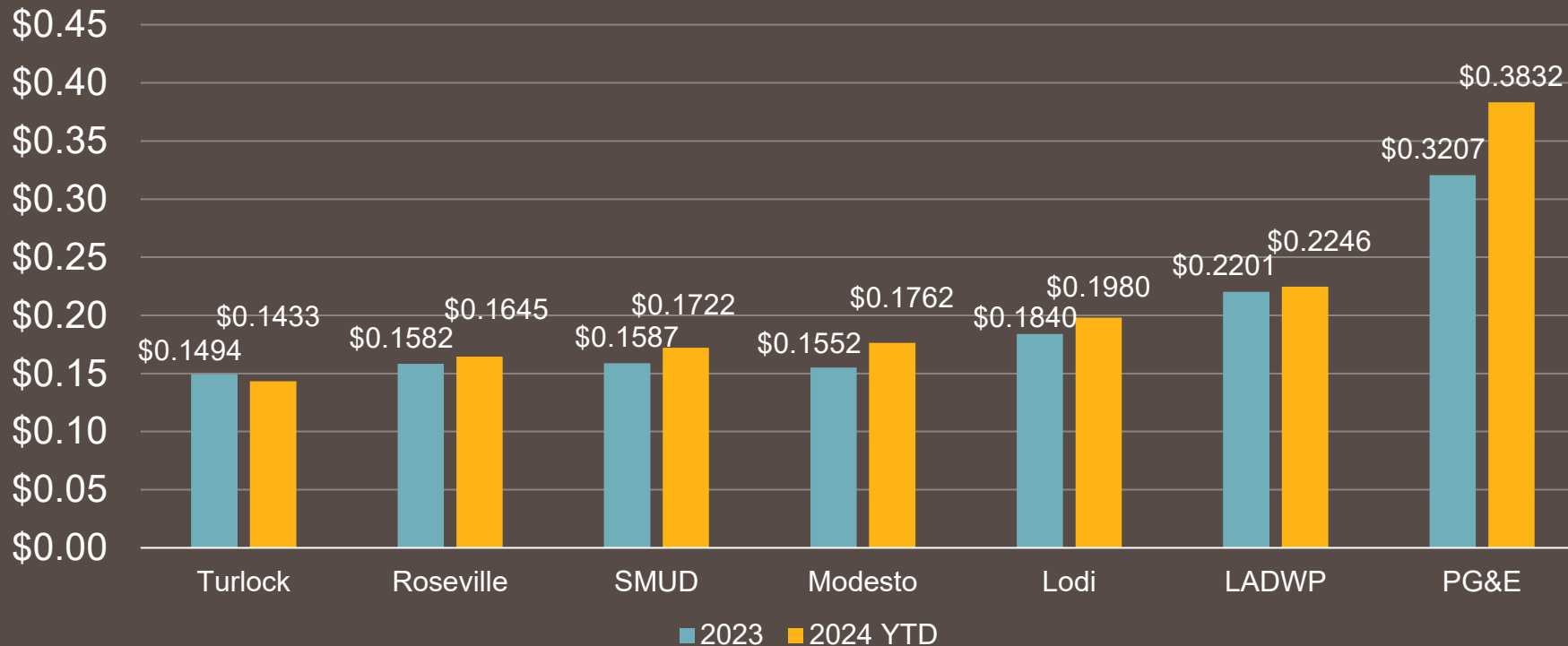
*SMUD is committed to keeping rate increases within inflation.*

*Continued internal focus on cost savings and efficiencies to minimize rate increases*

For more details, please see the Rate Increase Drivers section in the GM Report.

# System average rate comparison (\$/kWh)

System Average Rate Actuals (\$/kWh)



Source: 2023: US Energy Information Administration (EIA-861 annual)  
 2024: US Energy Information Administration (EIA-861 monthly, through September) and self reported data

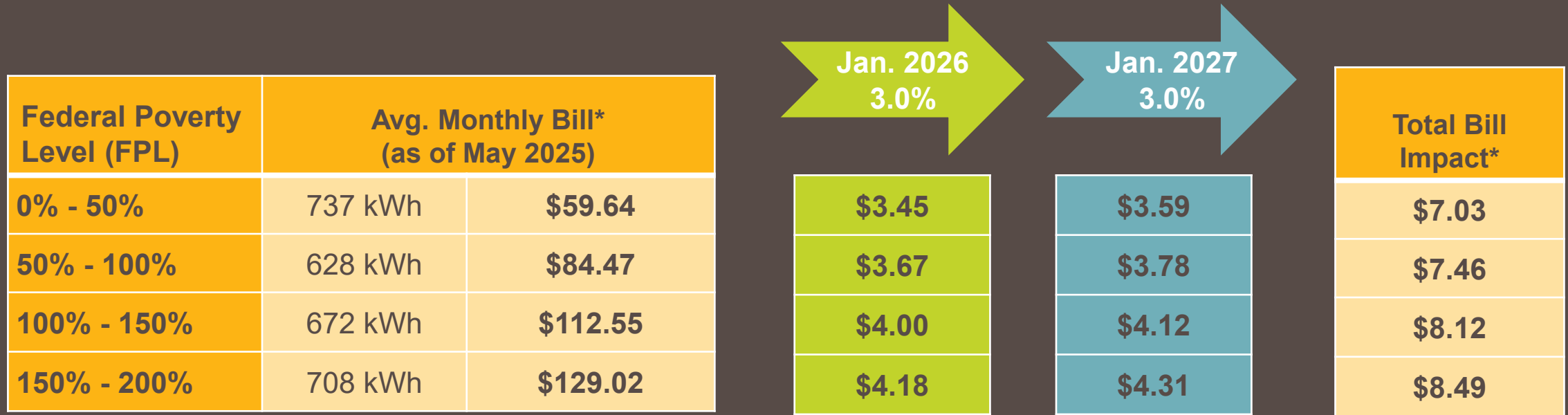
# Bill impacts with proposed rates

Average Monthly Bill Impacts				
Size	Average Monthly Bill	3.0% Rate Impact Jan. 1, 2026	3.0% Rate Impact Jan. 1, 2027	Total Bill Impact
Average residential at 750kWh usage	<b>\$144.92</b>	\$4.35	\$4.48	<b>\$8.83</b>
Small Commercial (20 – 299 kW)	<b>\$3,425</b>	\$103	\$106	<b>\$209</b>
Medium Commercial (500 – 999 kW)	<b>\$32,736</b>	\$982	\$1,012	<b>\$1,994</b>
Large Commercial ( >1,000 kW)	<b>\$101,901</b>	\$3,057	\$3,149	<b>\$6,206</b>
Agriculture (Ag & Pumping)	<b>\$445</b>	\$13	\$14	<b>\$27</b>

*Customers on our low-income Energy Assistance Program Rate (EAPR) & Medical Equipment Discount rate will see slightly different bill impacts than standard rate customers.*

*Amounts may reflect minor rounding differences*

# Energy Assistance Program Rate (EAPR) bill impacts



\* Average monthly bills impacts are estimated and include EAPR credits by Federal Poverty Level. Monthly kWh usage represents the average of that Federal Poverty Level.

# Proposed residential optional rate

## Lower System Infrastructure Fixed Charge (SIFC)



Connecting customers to the distribution system, including the local transformer



Metering costs



Costs for customer service, billing & support



### How it works

- Lower SIFC of \$17 per month ↓
- Higher energy charges (+3.4¢ per kWh) ↑



### Who qualifies

- Customers with small panels (≤125 amps)



### Who benefits

- Customers with low usage (≤270 kWh per month)

This optional rate was designed to be revenue neutral.

# Extensive outreach and communications

Our Rate Action outreach will deliver transparent, clear outreach to the widest possible range of partners and customers. We'll provide our external partners with many options of resources to support communications with their diverse constituents.

## Extensive proactive outreach

Reach out to 1,000+ groups to provide menu of options to share an overview of the Rate Action proposal. Include email and personalized phone outreach to groups as needed.

## Many options to support partners

Offer external partners many opportunities, including newsletter articles, slide decks, collateral or an opportunity for SMUD to speak at virtual or in-person meeting.

## Tailored presentations

For groups requesting a meeting, we will tailor presentations based on audience type and time allotted and identify most appropriate presenter.

## Maximize outreach across service area

Emphasis on balanced outreach across SMUD territory to reach customers. Will prioritize groups who have expressed interest in the past to make sure they are receiving information.



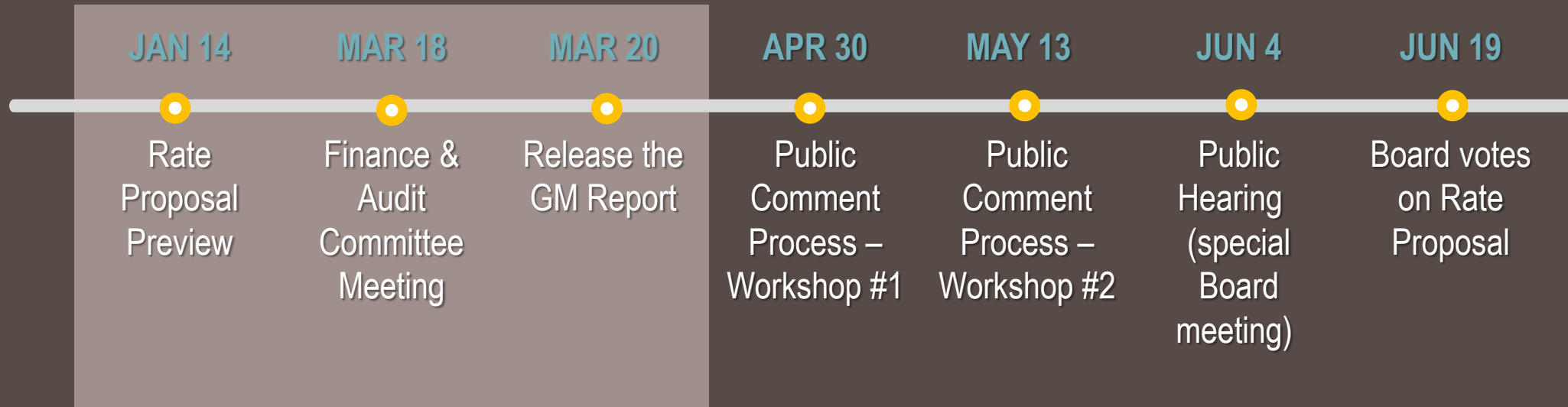
# Multi-pronged communications and outreach

## Optional low use residential rate outreach

- Multi-channel direct outreach to customers who will benefit from this rate option.



# 2025 rate process timeline



Three public notices are scheduled to be published on Mar 27, Apr 2 and Apr 8



# Requested action

Approve June 4, 2025, as the Public Hearing date for considering the Chief Executive Officer and General Manager's Report and Recommendation ("CEO & GM Report") on Rates and Services (Volumes 1 and 2) dated March 20, 2025, and the CEO & GM Report on Open Access Transmission Tariff (Volumes 1 and 2) dated March 20, 2025.